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Section Two, pages 6-23

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## Major faces new crisis on Euro vote

Goldsmith referendum attack

PATRICIA WYNN DAVIES  
Political Correspondent

John Major's leadership faced fresh challenges over Europe last night as the anti-EU Referendum Party poured scorn on the anticipated Government promise of a single currency referendum, and backbenchers threatened a barrage of dissent if tomorrow's White Paper fails to take a tough line on reducing the powers of Brussels.

There were urgent calls from senior Tories for the Government to negotiate with the anti-EU millionaire Sir James Goldsmith, whose self-financed Referendum Party is threatening Tories in marginal seats.

The deeply Eurosceptic party throws down a fresh gauntlet to the Government today with full-page advertisements in national newspapers declaring that Cabinet moves towards a referendum on a single currency do not go far enough.

The advertisements reproduced a letter from Sir James to candidates and supporters declaring that the Cabinet's expected agreement to hold a referendum only if it decides in favour of monetary union would be an "empty gesture".

"The referendum should allow for a full debate on the sort of Europe of which Britain wants to be part."

It continues: "The referendum on a technical aspect of [the EU] treaty, without a full debate on the fundamental issue, would be no more than a continuation of the fudge and subterfuge which has led Britain into a European construction diametrically opposed to that which was approved during the 1975 referendum on our membership of the EU."

The latest challenge to the fragile peace John Major is painstakingly attempting to construct over Europe follows entreaties by Brian Mawhinney, the Conservative Party Chairman, to Cabinet colleagues to look at ways of buying Sir James off.

John Redwood, the Eurosceptic former Cabinet minister and Tory leadership challenger,

said yesterday that he had urged the Government to contemplate up to three referenda: one on the single currency; another on any constitutional change at this year's Inter-Governmental Conference; and another that could garner the British public's wider views about Europe. Mr Redwood has urged the Government to negotiate with Sir James because

### How the Cabinet would vote FOR A REFERENDUM

John Major, Malcolm Rifkind, Foreign Secretary; Brian Mawhinney, Conservative Party Chairman; Michael Howard, Home Secretary; Peter Lilley, Secretary of State for Social Security; Stephen Dorrell, Secretary of State for Health; Gillian Shephard, Secretary of State for Education & Employment.

### AGAINST

Kenneth Clarke, the Chancellor; Michael Heseltine, Deputy Prime Minister.

### BORDERLINE

Michael Portillo, Secretary of State for Defence.

of the threat of his party taking vital votes from Conservative candidates in marginal seats.

In the meantime, a further argument began to fester after a senior Eurosceptic demanded that Cabinet ministers should be allowed to campaign against each other once the anticipated plebiscite was up and running.

The Thatcherite anti-European Lord Parkinson, the former Conservative Party Chairman, said the Cabinet should be free to campaign for

either side in the referendum that is now expected to be promised within weeks.

The notion of Cabinet dissent stands in contrast to Mr Major's current position - that if Cabinet decides a single currency, was in Britain's economic interests then Cabinet would speak with one voice during the referendum campaign.

In the meantime, Malcolm Rifkind, the Foreign Secretary, said from a meeting of EU foreign ministers at Palermo, Italy, that the Foreign Office report on whether the Government should hold the referendum would be presented to the Cabinet in the course of the forthcoming week.

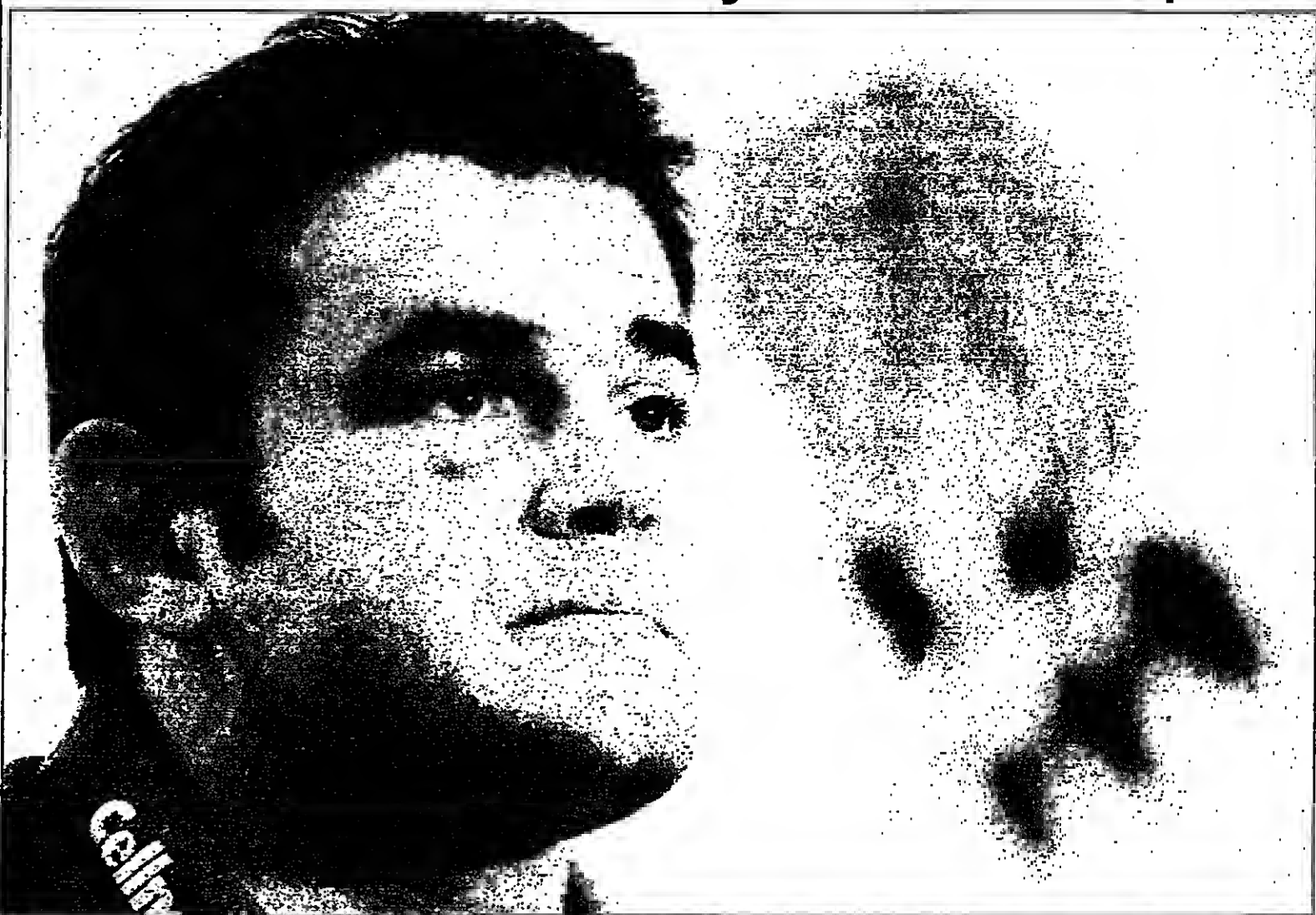
Kenneth Clarke, the Chancellor, has been resisting a clear commitment to a referendum, backed by Michael Heseltine, the Deputy Prime Minister. Michael Portillo, the ultra-Eurosceptic Defence Secretary, has been opposed to the idea on the footing that it could encourage the view that the Cabinet would decide in favour of the currency, but is understood to have modified his views.

Mr Clarke joins other EU finance ministers in Brussels today to assess the latest forecasts for the European economy, on which a successful launch of the Euro in 1999 would depend.

The Government has decided to avoid a full vote when the IGC White Paper is debated next week, ordering only a light one-line whip to sidestep the embarrassment of being defeated on a full turn-out.

That did not stop a succession of Tory Eurosceptics displaying their angry advance opposition to what they expect will be a bland White Paper. Christopher Gill, the MP for Ludlow formerly deprived of the party whip, said the Government should "get real", adding: "For a long time it has been thought that I, and others and indeed the whole nation, are going to be satisfied with rhetoric... but we're past that stage now, we want more than rhetoric, we want to know 'where's the beef'."

## Yet another black day for British sport



With egos, not to mention faces, bruised and reputations battered, this was a difficult weekend to be an Englishman.

Will Carling, with 65 caps, 58 as captain, held his head high at training yesterday after announcing his resignation as captain of the national rugby team. His worries on the pitch may not seem

quite as bad as his problems off it, but, nevertheless, it has been a hard season. Thus far, the weight of expectation has not been matched by performances.

At least eager anticipation follows Carling's heroes. For England's cricketers, read trepidation. They return home after Saturday's World Cup

annihilation by the Sri Lankans to the inevitable inquest. Verdict: Death by lack of adventure.

Still, the dashing Damon Hill offered some cheer by winning the Melbourne Grand Prix, even if he was helped on his way by a spectacular first-lap crash and the race leader's engine ceasing up.

Photograph: Howard Boylan 24-pages of sport inside

## Millions wasted on jet's update

STEVE BOGGAN  
Chief Reporter

The Ministry of Defence has wasted tens of millions of pounds on a project to upgrade Britain's Tornado fighter-bombers, say senior RAF sources involved in aircraft research.

A split has developed within the air force over the handling of the £856m British Aerospace upgrade, which is running more than five years late and £30m over budget. Pilots and technicians working with the MoD's Defence and Evaluation Research Agency (DERA) believe they could have completed the project years ago at a fraction of the cost. They are already flying their prototype, Night Fox, which was designed and in the air within 30 months.

RAF and DERA sources made their claims as pilots reacted to revelations in *The Independent* last week of shortages of engines and spare parts for Tornado F3s, Britain's front line air defence.

One squadron leader said he believed the RAF was in danger of becoming a "Third World air force".

BAC said yesterday that its role in the programme to update 142 Tornado GR1s to GR4 standard was on time and on cost. However, the project as a whole, to install sophisticated navigation and laser-guided smart-weapons systems, is massively overspent and lamentably late because of defence cuts and changes in specifications.

The in-service date for the first aircraft is now mid-1998 - it should have been 1993. The

last upgrade will not be completed until 2002.

Some RAF officers and DERA technicians believe the agency should be given control over future projects to save money. At the request of the MoD, the DERA has converted a Tornado to GR4 standard and is demonstrating its capabilities to other pilots who will not take delivery of the upgraded GR1 for two years.

The project, UOR11/94, involved installing sophisticated navigation and laser-guided smart-weapons systems into 12 Jaguar fighters at Boscombe Down, in Wiltshire, and at the RAF engineering depot at St Athan, in Wales.

It was completed between July 1994 and July 1995 at an average cost of £1m per aircraft. When Britain's remaining 48 Jaguars are upgraded, as ex-

pected, the average cost will fall to about £500,000 per aircraft, or £30m for all 60.

The MoD and BAC argue that the projects cannot be compared because the aircraft are different. However, RAF

sources who believe the DERA should be given design control of future programmes point to a much smaller project completed last year in which an upgrade of Jaguar aircraft used a cross between in-house expertise and outside defence contractors.

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## A lifetime of lunch without peer

JOHN RENTOUL  
Political Correspondent

Labour intends to use rights to dine in the House of Lords and attend the Queen's Speech as "sweeteners" to persuade hereditary peers to accept the abolition of their rights to speak and vote in the Upper House of Parliament.

According to an authoritative Labour source, the party will not make a definitive statement on the fate of hereditary peers "so-called 'club rights' before the election - in order to use them as bargaining counters in ne-

gotiations on the future of the House of Lords if Labour wins.

Some peers might view such a suggestion as a form of blackmail or inducement. But the prospect of hanging on to the right to use the dining-rooms, bars and other facilities that form an integral part of the Upper House's sumptuous atmosphere could tempt some hereditary peers to accept quietly their fate rather than mount a noisy protest.

Others might be only too keen to grasp a negotiating possibility rather than give up all contact with what must rank

as the cheapest London gentleman's club of them all.

For some, the prospect of good seats at the State Opening of Parliament will not be something to be passed up easily, while others may well bargain to retain access to an excellent library and research facility.

The source said a Labour government would attempt to reach a "consensus" on the long-term future of the Second Chamber in talks modelled on the Scottish Constitutional Convention.

In the convention, Labour, Liberal Democrats, churches and others drew up plans for a Scot-

tish parliament - but the Tories and the Scottish National Party refused to take part.

Tony Blair, the Labour leader, last month confirmed that hereditary peers would lose speaking and voting rights if he became prime minister. But he also backtracked on previous commitments to a directly elected Second Chamber as the ultimate aim.

Labour leaders are concerned that simply abolishing the rights of hereditary peers will leave the House of Lords as a "super quango", opening Mr Blair to charges of cronyism.

## City ready for share plunge

The City is bracing itself for a stock market plunge when trading gets under way today in the wake of Friday's 171-point dive on Wall Street. But the general belief is that a likely fall will be limited to about 50 points being wiped off the value of the FTSE index of the UK's top 100 companies, coming after a 48-point fall on Friday.

The Dow Jones fell, the third heaviest in Wall Street's history, was triggered by much stronger than expected February jobs figures in the US.

Cuts in the cost of borrowing and hopes of further reductions

have fuelled big stock market rises in the UK and the US over the past 15 months. In London, the stock market in early dealing on Friday rose 12 points following the interest rate cut of one-quarter of 1 per cent, but the economic data from the US and Wall Street's reaction unsettled confidence.

John Reynolds, head of strategy at NatWest Markets, said he believed a fall of between 30 and 50 points by the FTSE index was inevitable in early trading before Wall Street opens at 2.30pm British time.

"The general view among

economists was that the US economy was quite weak and that interest rates would be cut through March and April, but it would appear that the underlying economy has been more robust than originally felt."

Mr Reynolds pointed out American share prices were already at very high levels and a correction was always likely.

The UK stock market reached an all-time high last week, on 5 March, of 3792.5.

Dealers and analysts will be anxious for further data on the domestic economy this week.

"Cut too far", page 17

### IN BRIEF

#### Labour's rail vow

The strongest promise yet to restore Railtrack to public ownership was made by Labour's transport spokesman, Page 6

#### Magazine retreat

The Government has decided to oppose an MP's attempt to force publishers to carry age warnings on teenage magazines that contain sexually explicit material. Page 5

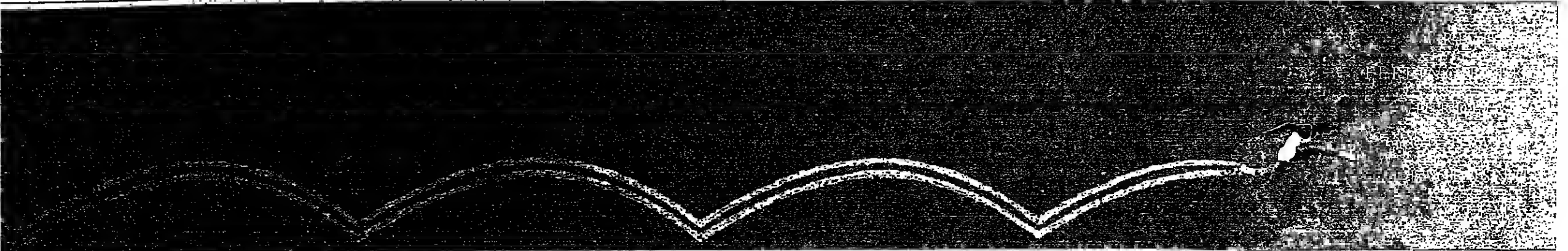


section ONE

BUSINESS 17-19 COMMENT 14,15 CROSSWORD 20 ESSAY 13 GAZETTE 16 LEADING ARTICLES 14 LETTERS 14 NEWS 2-12 OBITUARIES 16 SHARES 17

section TWO

ARCHITECTURE 6,23 ARTS 5 CHESS 26 CROSSWORD 26 JULIE MYERSON 3 LISTINGS 24,25 NETWORK 8-16 TELEVISION & RADIO 27,28 WEATHER 25



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## news

## Fayed offers to buy ailing paper

MATHEW HORSMAN  
Media Editor

The persistent would-be media baron, Mohammed al-Fayed, has offered to buy the ailing *Observer* title for £15m from the Guardian media group.

If successful, the Egyptian-born businessman intends to print the title at a yet-to-be determined site, though sources close to him warn there could be an "inter-regnum" before the paper returns under new management. Mr Fayed is promising to take on current staff.

But the offer, discussed last week by members of the Scott Trust, the charitable organisation that owns the Guardian group, is unlikely to be accepted. The Trust is believed to be unwilling so far to abandon the *Observer*, which has lost £17m in two years and seen its circulation fall to 450,000 from 500,000 since it was bought from Lorrho in 1993 for £25m.

Peter Preston, editor in chief of both the *Guardian* and the *Observer*, is believed to have argued strenuously for more time to turn the title around.

The Sunday title's problems have generated tensions at the *Guardian*, where journalists are concerned that management will force budget cuts in order to offset losses of the sister publication. There is also concern that the *Guardian* group will attempt to integrate the two titles in a cost-saving exercise.

But in an interview with *The Independent*, to be published in the media pages of section two tomorrow, Alan Rusbridger, editor of the *Guardian*, insists there are no plans to merge the operations and that the *Guardian*'s budget has been "ring-fenced". He concedes, however, that some limited integration may be contemplated.

Mr Fayed's interest follows several attempts to buy or launch a national newspaper. Last year, he was rebuffed by Rupert Murdoch's News International in efforts to save *Today* from closure.

Plans for a new Sunday newspaper, *Life on Sunday*, have been abandoned, although dummy editions were prepared.

Mr Fayed, the controversial owner of Harrods, has mounted a running campaign against the Government. He co-operated with the *Guardian* to expose Jonathan Aitken over the minister's controversial stay at his Paris hotel, the Ritz.

Last month, Mr Fayed announced the creation of Liberty, a company dedicated to expanding into media businesses. Its first venture was the relaunch of *Punch*.

## Docklands to get ring of steel

CHRISTIAN WOLMAR  
Transport Correspondent

A ring of steel guarded by armed police officers is to be drawn round the Isle of Dogs in London's Docklands, similar to the one in the City of London, within the next few weeks.

The decision to introduce the scheme will raise civil liberties issues for the 17,000 residents as their cars will be filmed every time they enter the area.

Only four check points are needed to guard the three square miles of the Isle of Dogs, where London's new business district has been built.

Developers have been pressing for security to be tightened after last month's bomb which wrecked half a dozen office blocks and killed two people.

Developers and commercial property landlords have been arguing that the City is much safer than Docklands because it set up its own ring of steel three years ago following the Bishopsgate bomb. The London Docklands Development Corporation, the quango which has poured more than £1bn of taxpayers' money into the area, felt it was essential to improve security to fill the remaining empty property.

There will be check points on the two main and two minor roads into the area. Traffic will be filtered through in single file in order to enable number plates to be filmed by a close-circuit TV camera. A source within the LDDC said: "The cameras are such high resolution that they can spot whether you had a shave that morning."

The scheme has been drawn up from a consultant's report commissioned by a working party from Tower Hamlets council, the Metropolitan Police and the LDDC and will be paid for by all three bodies along with local businesses.

About £1m is expected to be spent on the cameras and about half a dozen police officers are expected to be needed to guard the checkpoints which are likely to be operated only part-time.

Already many cars going into Docklands are being stopped and even buses entering the private Canary Wharf development are being checked by security staff.

Local residents are fiercely opposed to the scheme because of fears over traffic congestion. Kevin Young, chairman of a local residents group, said: "I travel every day into the City and the ring is causing terrible

delays there. In Docklands, traffic trying to get in will feed back onto the already very congested roads in the area."

He pointed out the LDDC, the planning authority for the area, is not democratically elected: "It's a quango and they won't consult with us properly. They'll just put the bollards up and say it's for our own good."

Residents are also worried about the civil liberties implications. Mr Young said: "Hardly anyone lives in the City so that's not a problem. But here you've got thousands of residents and they won't want their every move filmed."

Eric Sorensen, chief executive of the LDDC, confirmed that plans were at an advanced stage but had not been finalised: "If we go ahead, which is very likely, we will probably introduce the scheme in early summer," he said.

He stressed that the LDDC was keen on avoiding traffic problems but said: "We need to make businesses and residents in this area confident that measures are in place to prevent a repeat of last month's bomb. People have to get used to being filmed. Already there are lots of cameras on the Docklands Light Railway."

## Jaguar GR1B

## How the upgrades compare

## Tornado GR4

1. 1553 Digital Databus and control unit which allows the integration of various systems
2. Wide-angle Head-up Display (HUD) and multi purpose Colour Display (MPCD), which project images on to the cockpit screen in front of the pilot
3. Digital Map Generator which reads terrain beneath the aircraft, turns it into a digital form readable by computer and translates it into map form on a monitor in front of the pilot
4. Computer Symbol Generator which takes the information generated by the map generator and overlays it with symbols representing targets, significant landmarks etc which can be read quickly by the pilot
5. Fully Integrated Global Positioning System (GPS). Uses satellites to plot position to within 20m
6. New Hands-on Throttle and Stick top (HOTAS) and hand-controller. The HOTAS, in the pilot's right hand, and the new hand-controller, in his left, contain sensitive buttons and controls which allow him to perform more functions than ever before without having to reach for controls around the cockpit. These allowed Thermal Imaging Airborne Laser Designation (TIALD), which guides smart bombs to targets, to be installed in the one-seater Jaguar. Previously, it took the two-man Tornado crew to operate it
7. Software changes to TIALD to allow Jaguar operation
8. TERPROM Ground Proximity Warning System (GPWS) with terrain referenced navigation (TRN) capability. TRN, which was pulled out of the Tornado upgrade, uses a powerful microprocessor to calculate the terrain he will be and what the terrain will be like there
9. Lighting to allow use of Night Vision Goggles (NVG)



## How cost of Tornado project rose to £850m

Defence cuts, bureaucracy and specification changes led to five-year delay. **Steve Boggan reports**

"This is more than the total sum of all the incompetencies and errors that I have come across in the five years I have been on this committee... We are getting to a stage where accountability is almost meaningless."

That is how Alan Williams, a Labour member of the powerful Public Accounts Committee, described overspending on a Ministry of Defence project to update the RAF's ageing fleet of Tornado GR1 fighter-bombers.

The man to whom he was speaking, at a hearing in June 1994, was Dr Malcolm McIntosh, the MoD's Chief of De-

fence Procurement, and the incompetence to which he was referring was the anticipated increase in the cost of the project by £267m. Since then, the cost has increased by at least £50m - to more than £850m - and the delivery date of the first upgraded Tornado has fallen back by more than five years.

The Tornado mid-life update (MLU) has been a constant source of bewilderment among Tornado pilots since its conception in 1989. It was to have provided Britain's ground attack Tornado GR1s with up-to-date navigation and smart weapons systems and it would have replaced what some pilots have described as "1960s technology" with equipment good enough to see the aircraft well into the next century.

But defence cuts, cumbersome procurement bureaucracy and repeated changes in specifications - developments often beyond the control of BAe - led to delay after delay. To date, not one of the 142 GR1s in the scheme has been delivered.

Meanwhile, Jaguar pilots, long considered the Tornados' poor relatives, have been flying similarly advanced technology for more than a year because of a successful DERA-controlled project last year to update

Jaguars at a fraction of the Tornado costs.

After the Gulf War, in which thermal imaging airborne laser designation (TIALD) systems were used to guide smart weapons to targets, the MoD decided that Jaguars overflying Bosnia ought to be given the system as a matter of urgency. This was seen as an enormously difficult task because the Jaguar is a one-man aircraft, whereas the Tornado has a two-man crew.

The MoD and BAe argue that the two projects can be compared because the aircraft are different; because the Tornado is more sophisticated, integrating the systems is more complex and costly.

A BAe spokesman said the Jaguar project also benefited because it used "off the shelf" technology developed for

the Tornado programme by BAe.

However, one senior RAF source who evaluated the Jaguar upgrade said: "That's true to a certain extent, but if the technology is already on the shelf, how come the DERA team managed to pull it off the shelf and get it into the aircraft while the Tornado team were still talking about it?"

Peter Tanner, the head of the DERA's Jaguar project, said: "In a way, we developed the system first, and then gave the manufacturers their specifications afterwards. The refusal to criticise the Tornado upgrade, the lengthy procurement process or BAe's involvement but when asked whether DERA could have improved on it, he replied:

"Yes, I don't think anyone could expect us to do on the Tornado what we did on the Jaguar."

But that is not to say we could not have done it quicker and cheaper."

The MoD says comparisons should not be made, but that serves only to annoy pilots. One senior pilot who has flown both aircraft said: "The equipment in the Jaguar is the stuff we have been waiting for for years. We are sick of hearing about procurement civil servants at Whitehall making careers out of dragging on projects when there are people out there who can get the job done."

"We still have great pilots and ground crew, but we're in danger of becoming a Third World air force. At the moment, engines for the Tornado F3 are in very short supply. Recently, two F3s collided and we heard about it in the mess. The usual reaction is to ask whether the pilots ejected safely. This time, someone said: 'Did the engines get out ok?' He regretted what he said immediately. But we all knew what he meant."

what we have done to the Jaguar, they are usually astonished, then furious," said a source involved in the project.

The MoD said last week that it was now examining the possibility of including TRN in the Tornado upgrade but said it was wrong to make comparisons between that upgrade and the Jaguar's.

Excluded from the Tornado list is terrain referenced navigation (TRN) systems which were withdrawn from the Tornado upgrade on grounds of cost. A 1993 National Audit Office report said this would save £60m across 142 aircraft. Yet the cost of installing a simplified system in 60 Jaguars will be £3m. "When we show Tornado pilots

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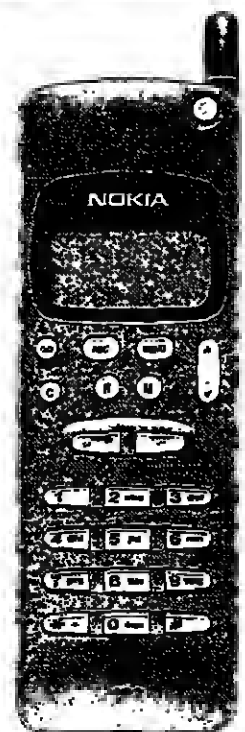
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## Millions wasted on jet update

FROM FRONT PAGE

sources say that although the Tornado upgrade differs in some ways, it is not so radically different as to justify the cost of almost £90m for 142 aircraft compared with £30m for 60. Peter Tanner, head of the DERA Jaguar project, refuses to make comparisons. However, he ad-

mitted there was a comparable level of technical integration.

The *Independent* has obtained details of an MoD briefing note dated September 1995 in which the specifications for the Tornado upgrade are spelled out. There are nine items on the Tornado shopping list; seven were also included in the Jaguar upgrade.

Excluded from the Tornado list is terrain referenced navigation (TRN) systems which were withdrawn from the Tornado upgrade on grounds of cost.

A 1993 National Audit Office report said this would save £60m across 142 aircraft. Yet the cost of installing a simplified system in 60 Jaguars will be £3m. "When we show Tornado pilots

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## Brown stands firm on benefit reform

Gordon Brown, the shadow Chancellor, yesterday fought back against a rebuff from the Scottish Labour Conference, repeating his commitment to plans cutting benefit for young people who refuse to take part in work or training schemes, writes John Rentoul.

After Saturday's unanimous vote condemning "benefit sanctions", Mr Brown insisted to delegates in Edinburgh: "It is right that opportunities and responsibilities go hand in hand."

And he echoed the Labour leader, Tony Blair, who appealed to delegates on Friday to show "realism", by emphasising the positive side of his plans. He said Labour was offering "for the first time, real jobs not schemes, for the first time wages not just benefit". He described it as a plan to "abolish youth un-

employment" paid for by a windfall tax on the profits of privatised utilities.

Mr Brown turned his fire on the Government, which abolished its main scheme for the long-term unemployed in last year's Budget. An employment department internal briefing, leaked to Mr Brown, described Community Action as "popular and effective", and makes clear it was scrapped purely to save money.

Meanwhile, Scottish Labour officials fought a strong rear-guard action in Edinburgh to avoid further embarrassments to the leadership. Motions calling for rationalisation of the privatised utilities, a £4.15 per hour minimum wage and an "increase in the upper rate of income tax" were all referred back for reconsideration.

WILL BENNETT

More jails will have to be built to cope with the rise in the prison population caused by the Government's plan for tougher sentences for criminals, the Home Secretary said yesterday.

Michael Howard admitted his proposals for longer jail terms for persistent burglars and drug dealers would mean an increase in the numbers being held in Britain's prisons.

"It may well be that we will have to build more prisons," he told BBC television's *Breakfast with Frost* programme.

"If we are to have minimum mandatory sentences for persistent burglars, and for traffickers in hard drugs then we will need an increase in prison accommodation."

He said the Government had

yet to establish just how many new jail places would be needed. "That depends on the details which have not yet been announced, but they will be soon."

The details will be disclosed in a White Paper later this year which will set out the expected increase in prison accommodation.

There are currently plans in the pipeline to build three new local jails, which would all be privately run.

Mr Howard again defended his proposals for mandatory life sentences for serious violent and sexual offenders who re-offend, which were condemned last week by the Lord Chief Justice, Lord Taylor of Gostorth, as unwelcome.

He said that at present, where judges had the option of passing a life sentence, they only

## IN BRIEF

## Council tax bills pass £1,000 mark

Councillors in Liverpool yesterday agreed a 4.5 per cent increase in council tax, taking Band D bills above £1,000 for the first time. Other moves to bridge a £44m shortfall include cuts in services and contributions to voluntary and community groups, with school dinner charges up from 85p to £1 a day.

The council's 24,000 employees will be asked to accept 140 voluntary redundancies, lose one day's pay, take a two per cent pay cut for six months and forego their annual pay rise. The cuts still leave a budget deficit of £2.5m to be found in savings by the end of the month.

## Dead climber named

A climber who plunged 600 feet to his death on Mount Snowdon was named as Gary Robert Clayton, 34, of Chiswick, west London. A north Wales police spokesman said Mr Clayton was climbing with five other people when he slipped on ice and dithered over a ridge. He was taken to hospital in Bangor by an RAF rescue helicopter but was dead on arrival.

## Bar brawl shooting

A British soldier is recovering in hospital after being shot in a Cyprus bar. Lance Corporal Wayne Phillips, 24, from Reading, Berkshire, serving with the Royal Gloucestershire, Berkshire and Wiltshire Regiment, was shot during a brawl between off-duty soldiers and Cypriots in Limassol. Doctors at the military hospital in Akrotiri said his condition was not serious.

## Book of peace

Irish president Mary Robinson visited Warrington to unveil a book commemorating all the victims of the Troubles since the IRA bomb in the Cheshire town three years ago. She met Colin and Wendy Parry, whose son Tim, 12, was killed in the explosion. The book will be kept in the town hall with another containing messages of condolence from Irish people.

## Poverty trap study

Nearly one in five people in the south-east of England would benefit from a national minimum wage, according to research by the National Local Government Forum Against Poverty. A study of Brighton in Sussex, Mendip in Somerset, Reading in Berkshire and Waltham Forest in London found that up to a quarter of households lived in poverty.

## Cereal discontent

The MoD says comparisons should not be made, but that serves only to annoy pilots. One senior pilot who has flown both aircraft said: "The equipment in the Jaguar is the stuff we have been waiting for for years. We are sick of hearing about procurement civil servants at Whitehall making careers out of dragging on projects when there are people out there who can get the job done."

## On the right lines

British Steel has won its first order in the Baltic state of Lithuania. The new order is for 14,000 tonnes of rail track to build a standard-gauge line to link with Western European systems.

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# Cloned sheep suffer serious side-effects

TOM WILKIE  
Science Editor

The controversial cloned sheep which provoked moral outcry last week suffered significant developmental problems and abnormally high birth-weights, it has been disclosed.

Three of the five lambs died shortly after birth and post-mortem analysis revealed congenital abnormalities in their kidneys and cardiovascular system. But a bigger blow to the much-trumpeted commercial

prospects of the technology is the belated disclosure by scientists at the Roslin Institute near Edinburgh that all but one of the lambs were much larger than normal.

One lamb had to be delivered by caesarean section because it had grown to 6.75 kilograms - nearly twice the average birth weight of Welsh mountain sheep. The scientists did not disclose the details of the lambs' birth-weights when they reported the cloning in the scientific journal *Nature* last week.

But the high weights cast serious scientific doubt on the viability of the process. A very similar technique, employed to clone calves in the 1980s, had to be abandoned because one in five was larger than expected and one in twenty a giant - twice normal size. These calves were so large that the cows were physically incapable of giving birth to them.

The disclosure also makes it less likely that the Roslin technique could ever be applied to the cloning of human beings.

The scientific limitations of the technique may make much of the fevered speculation last week about human cloning simply science fiction.

The Roslin team took a very early embryo from a Welsh mountain sheep and dissected out the cells destined to grow into lamb rather than placenta. They then cultured this "clone" of cells in the laboratory before implanting some into "foster eggs" - unfertilised eggs from which all the genetic code had been removed. The DNA of the

cloned cell then took over and directed the development of the foster egg which was placed in the surrogate womb of a Scottish black-faced sheep.

The abnormal growth of the foetuses could simply be the result of being placed in the slightly larger surrogate Scottish ewes. But it appears more likely that the problems stem from the culturing or the foster egg stages or possibly both.

It may be that culturing the cloned eggs in the laboratory already accelerates their growth,

and that fusing these cells with the foster egg provides them with double the resources normally needed for growth.

While the initial stages of any scientific development are experimental, the similarity with the overweight calves of the 1980s suggests that the limitations may be inherent to the technique.

A spokesman for animal rights campaigners, Compassion in World Farming, was reported yesterday as saying that it was appalling that the scientists had

not revealed that the lambs were abnormally large.

When the news of the Roslin team's success in cloning the sheep first broke it sparked widespread fears over the cloning of humans. A Church of England spokesman warned the technology should be used with caution and that it would be "totally unethical" for it ever to be applied to people.

But Davor Solter, of the Max Planck Institute for Immunobiology in Germany, called the work "a cause for celebration".

## Trimble mends fences with Bruton

WILL BENNETT

David Trimble, the leader of the Ulster Unionist Party, will meet John Bruton, the Irish Prime Minister, tonight in an unusual act of political fence-mending, born out of their mutual loathing of the IRA.

Earlier this year, Dick Spring, the Irish Foreign Minister, once described by the Ulster Unionists as "the most hated man in Northern Ireland", tried to hold talks with Mr Trimble but never got further than his answering machine.

Just a few days ago Mr Trimble declined to meet Mr Spring in Belfast and instead held talks about plans for elections with officials in London, to emphasise the Ulster Unionists' view that Dublin should not interfere in Northern Ireland.

But yesterday Mr Bruton praised a speech by Mr Bruton on Saturday in which he strongly criticised the IRA and Sinn Féin and challenged republicans "to stop thinking in terms of threats and start thinking in terms of peaceful persuasion".

Mr Trimble told Sky News yesterday: "I am absolutely delighted at what John Bruton said about the need for a new ceasefire that is genuine, on the need for negotiations with a complete absence of threats. I think that is quite right."

Tonight's talks in Dublin are a reflection of the common view held by the Unionists and the Irish government that Sinn Féin should be excluded from the all-party talks due to start on 10 June until the IRA announces a renewed ceasefire.

The growing pressure on Sinn Féin to persuade the IRA to renew the ceasefire was shown when the US government confirmed Mr Trimble would be attending next week's St Patrick's Day celebrations at the White House while Gerry Adams, the Sinn Féin leader, has not been invited.

It is still not clear whether the small bomb which exploded outside Brompton Cemetery in west London early on Saturday morning was an IRA device.

Arts clash: Plan to perform at Albert Hall with help of public cash angers promoter who funded *La Bohème*

## Royal Opera runs into row over subsidies

JOHN MCKIE

The Royal Opera House, soon to become homeless, looks set to walk into a new row with plans to hold some performances at the Albert Hall.

The clash centres on the fact that ROH will continue to receive its taxpayers' subsidy while its headquarters in Covent Garden, central London, receive a £21.5m refurbishment before reopening in 2000. A recent commercial presentation of Puccini's *La Bohème* at the Albert Hall received no subsidy.

The concert promoter Raymond Gubbay, who underwrote 10 performances of the opera for 40,000 customers, is irritated at the prospect. He said yesterday: "There's a great hornet's nest there. I am aware that the Opera House is negotiating to go into the Albert Hall and I am concerned about the use of public money."

Sue Rose, an Arts Council spokeswoman, confirmed that the ROH will still receive subsidy while away from Covent Garden, depending on the number of performances it puts on. The ROH head of public affairs, Keith Cooper, confirmed that discussions had taken place with the Albert Hall. "It's particularly interesting because they have got time in the autumn. The scale of the theatre is different but we'd like to present some operas in large venues and some in smaller venues."

But in an apparent dig at the limited run of 10 performances for *La Bohème*, he added:

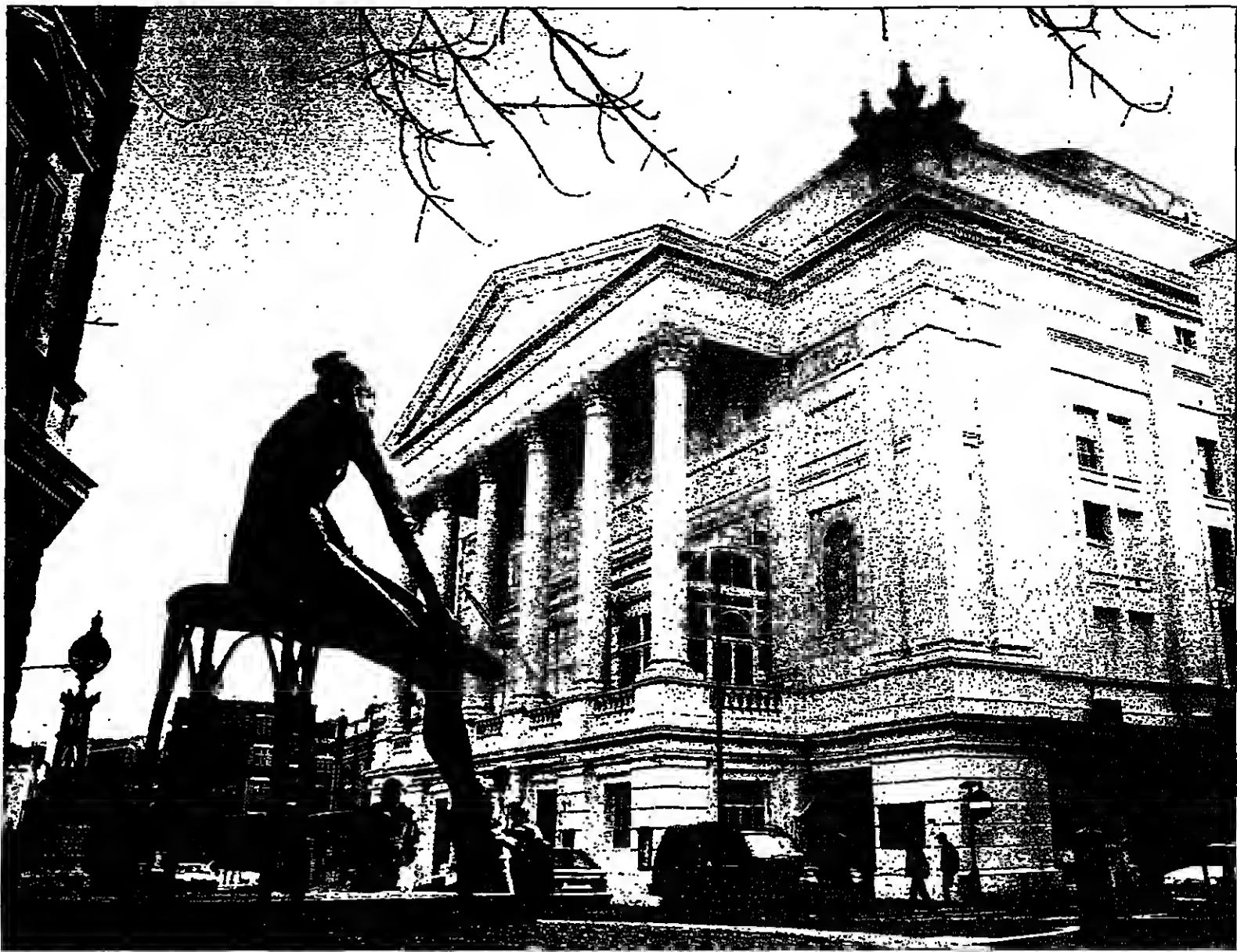
"There isn't an unlimited audience for opera at the Albert Hall, as Raymond Gubbay has found out. It wasn't critically well-regarded but it was commercially well-regarded."

Mr Gubbay was similarly scornful of the ROH. "There's a huge market for popular opera but with an institution of 1,500 people they'd probably cock it up because they don't have the flexibility of an individual promoter to take risks."

The west London arena is one of the venues the ROH is likely to use next. Other likely sites include the Barbican, the Palladium, the Royal Festival Hall and the Coliseum. "We're speaking to everybody really," Mr Cooper admitted.

The ROH will be expected to fill the Albert Hall's 5,300 seats, as opposed to the 2,000 it normally has to fill. The ticket prices, as high as £150 at Covent Garden, will have to be lowered. The highest ticket price for *La Bohème* was £37. Eve Hewitt, an Albert Hall director, said yesterday: "*La Bohème* worked from a ticket-selling point of view, we had 83 per cent capacity. But we don't discuss our future clients, whether it's rock stars or opera companies."

This is just the latest controversy surrounding the troubled Opera House. The ROH has had problems with the refurbishment of its Covent Garden home, a BBC documentary which portrayed management squabbles, and it is still looking for a new general director to replace Jeremy Isaacs. In addition, when a leaked report



Money walks: The Royal Opera House, whose company will take along its subsidies during a three-year absence

Photograph: Kalpesh Lathiga

indicated that as many as 500 staff jobs could be lost when the company moves from Covent Garden, management had to agree to union demands to prevent industrial action.

Gerry Morrissey, of the staff union Bectu, last week brokered a deal whereby ROH manage-

ment have had to recognise the union, agree to no compulsory redundancies this year and to a small pay increase. Furthermore, those made redundant will be given first refusal on jobs when the company returns to Covent Garden.

Battling divas, Section Two

## Bang that means rogue satellite has landed

JOHN MCKIE

Britain could tomorrow receive its first visit from a rogue satellite since the dawn of the space age in 1957. The Chinese satellite FSU-1 will crash into Earth sometime within eight hours of midday tomorrow.

The one-tonne satellite, which has lost control of its bearings, is likely to land in the sea, but there is a 1-in-300 chance it may crash somewhere between the west of Ireland and the coast of Northumberland. It will be impossible to pre-plan the crash site as it will not be known until seconds before it happens.

Flight Lieutenant Fritz Mues, who has been monitoring the satellite's progress at RAF

Fylingdales on the Yorkshire Moors, said yesterday: "No one knows where it will land but it will probably enter the sea, leaving an enormous splash of 20 metres across."

"I'm pretty confident it's coming down on the southern coast. If it crashes inland, there's a problem, but there's no point in getting worried about it. The likelihood is very slim indeed."

The Ministry of Defence has taken no chances and has alerted its nuclear attack early-warning centre.

Fl Lt Mues is not perturbed. He added: "People are wrong if they think you can hear it coming. If people hear a bang, that means it's landed already. It will take six seconds to go

from the west of Ireland to the Northumberland coast. It will look like a bright light and be moving a bit faster than a plane."

Whether the satellite, which is about the size of a small van, will be visible depends on whether the sky is clear.

At present it is travelling at 17,500mph, although by Tuesday the atmosphere is expected to slow that speed down to 4500mph.

Frances Brown, editor of *Space Policy Journal*, added: "There have only been two or three rogue satellites since the Fifties, and this is the first British one."

As if FSU-1 didn't present enough excitement for stargazers, next week a comet six

### Satellite paths over Britain



times the width of the moon will appear over earth. Comet Hyakutake, named after the Japanese man who spotted it in January, will arrive around 24-25 March within 10 million miles of Earth. This, for astronomers, represents no great distance. "The comet, in the same shape as the Plough constellation, will be decorative rather than dangerous."

## Energy-saving plan is a lot of hot air

NICHOLAS SCHOON

Government hopes for energy savings in homes have come to nothing. The privatised companies which sell gas to households have shunned the kind of fuel-saving financial packages advocated by ministers.

The energy minister Tim Eager and the gas industry regulator Claire Spottiswoode had claimed the liberalisation of the domestic gas market would create a new kind of energy and money-saving deal between companies and customers. But they were wrong.

The news comes as government figures, to be released tomorrow, show British homes have made no real progress in saving energy over the past quarter-century.

Under the proposed deals, households would have been offered cheap loans to buy insu-

lation and draught-proofing. They would have paid off the loans through extra payments on the quarterly gas bill.

But, because they would be using less fuel thanks to the extra insulation, their total bill should have been no higher. And once the loan was paid off the households could then make substantial savings.

However, British Gas recently scrapped plans to pioneer such a scheme in Leeds. Nor are similar energy-saving packages being offered by any of the companies about to start supplying domestic gas in South-west England.

Andrew Warren, the director of the Association for the Conservation of Energy, said: "The private sector won't offer these packages without some incentive to do so - it's essential that the Government gives a kick-start."

## Managers 'using nurses as spies'

BARRIE CLEMENT

Senior managers sometimes try to use workplace nurses as agents to spy on employees, according to the Royal College of Nursing. And where doctors are present in organisations, many like to treat nurses as "handmaidens", which they find "demeaning".

In a survey conducted for the College it was found that one in five nurses reported that "human resource" managers attempted to secure confidential medical information about employees. Eight out of ten reported "conflict" with such managers.

A research group, Industrial Relations Services, found that managers tried to use medical issues to discipline staff or make cuts.

Despite their title as "human resource" managers, nurses

found them less disposed to offer training than where superiors were senior nurses or physicians.

Carol Bannister, adviser to the College on occupational health nursing, confirmed that RCN members faced pressures from managers who did not fully understand the legislation on access to medical records or the role of the occupational health nurse.

Ms Bannister said the union always advised members to get a clear understanding of their professional role established and incorporated into contracts of employment.

New guidelines on confidentiality were being prepared by the College to help nurses explain to colleagues and managers, "when they are stepping out of line and asking for information to which they are not entitled".

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## A letter from James Goldsmith to the Candidates and Supporters of The Referendum Party.

The Government is indicating that it is moving towards granting a referendum. That's all to the good. But it must be genuine. Obviously the Government's commitment should be unconditional and the referendum would need to be held prior to, or at the same time as, the next General Election.

But an agreement to hold a referendum only if the Cabinet decides that sterling should be absorbed into the European single currency would be an empty gesture. That decision is unlikely to be made during the life of this Government. The commitment to hold a referendum following the General Election would be of limited value because a future Government would not necessarily be bound by it.

The referendum should allow for a full debate on the sort of Europe of which Britain wants to be part. There are two principal visions of Europe.

The original plan was that the European Community would consist of a family of nations which would pool some of their sovereignty, but only where necessary and never against the will of any nation. This was set out in the White Paper when Britain joined the EU (then the EEC), in which it was stated, "There is no question of any erosion of essential national sovereignty... all the countries concerned recognise that a commitment to impose a majority view in a case where one or more members consider their vital interests to be at stake would imperil the very fabric of the Community."

The other vision is that of a single European super-state into which would be fused existing European nations. This super-state would have one government, one parliament, one over-riding Court of Justice and so on. That is the Europe of Maastricht. Whether we like it or not, Maastricht has put us on "automatic pilot" towards such a single European state.

The referendum needs to ensure that people can decide which Europe they seek for Britain. The referendum on a technical aspect of the Treaty, without a full debate on the fundamental issue, would be no more than a continuation of the fudge and subterfuge which has led Britain into a European construction diametrically opposed to that which was approved during the 1975 referendum on our membership of the EU.

That is why we urge the Government not to duck the issue and not to believe that they can defuse the problem by making a hollow commitment. On the contrary, they must encourage a full, open and fair debate on the most important issue that any nation could possibly have to face.

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# Opt-out schools told spending spree must end

JUDITH JUDD  
Education Editor

The body which allocates funds to opted-out schools has almost run out of money for new building projects. The Funding Agency for Schools' decision to abandon the annual bidding round for capital grants is a further setback to the Government's faltering grant-maintained policy.

Cecil Knight, chairman of the grant-maintained schools advisory committee, said the schools were disappointed but encouraged by the chance to use their initiative. "I am desperate for new classrooms. We will approach private sources for money and consider borrowing against our assets."

Mr Knight will soon have his prayers answered. Michael Heseltine, the Deputy Prime Minister, will shortly announce plans – opposed by Gillian Shephard, the Secretary of State for Education, to force schools to find private finance for major projects, and one of the major provisions of the Nursery Education and Grant Maintained Schools Bill, now going through Parliament, will allow schools to borrow against their assets.

Capital for new building has been one of the main inducements to schools to opt out, because capital funding for grant-maintained schools has been more generous than that for local authority schools.

Last year, 250 schools received a total of £60m in the annual bidding round. Since opting out began in 1990, schools have received around £200m for building projects.

Last summer, 906 schools

submitted bids but the agency says that existing commitments to improving the 1,099 grant-maintained schools' buildings will mean that it has only enough money to carry out urgent health and safety work and to make provision for increased pupil numbers. It has £138m for capital spending in 1996-97.

A letter to chairmen of governors from Michael Collier, the agency's chief executive, says: "The chairman has made clear to ministers during recent weeks that many priority needs in grant-maintained schools will not be met in the short term. Nevertheless, ministers were unable to hold out any hope of additional funding being available to the sector."

Mr Collier adds: "It is clear that it is inappropriate to continue to offer grant aid for projects through the traditional bidding round. The settlement for 1996-97 and the guidelines for the following two years afford no scope to finance any bids from schools for 100 per cent funding, other than for basic need and for the most urgent health and safety schemes."

Martin Rogers of the Local Schools Information Service said: "This is what we predicted all along: that as the sector grew the money would run out. One after another, the funding advantages which lured schools into opting out are disappearing before their eyes."

Opted-out schools will continue to receive some money to spend on buildings through an annual allocation. The money for each pupil is being increased from £20 to £24, plus the existing grant of £12,000.

The agency said it would

still invite bids from time to time. Schools will be able to apply for money from a pot of £4m to match sums they have raised from private sources. An agency spokesman said the pilot for this scheme showed that schools of all types were successful in raising private funds. A spokesman said: "The new arrangements are a way of making the available money go further."

Asked whether the changes made opting out less attractive, he quoted a head teacher who said recently: "Any school which opts out for the money is very quickly going to be disappointed. The main stimulus for opting out is greater managerial flexibility to make the most of what you have."



Branching out: Workers on the £100m Newbury bypass are facing a new treetop protest. Having removed the humans, workers will now find objects of the feathered kind among the foliage after local people gathered at the weekend to put up nesting boxes. Photograph: Tom Buckingham

## Magazine sex warning Bill loses support

PATRICIA WYNN DAVIES  
Political Correspondent

The Government has reluctantly decided to oppose an MP's bid to force publishers to carry age warnings on teenage magazines containing sexually explicit material.

Peter Luff, Tory MP for Worcester, got widespread parliamentary support last month for his Periodicals (Protection of Children) Bill, which would have required publishers to carry cover-page warnings about articles that might be unsuitable for readers below a certain age.

He told MPs that the letters pages in magazines such as *Sugar*, *Mizz*, *It's Bliss*, *19* and *More!* often degenerated into "sexual titillation, salaciousness and smut", using the kind of language more usually associated with the walls of public lavatories.

But ministers have decided after what a source said was much "heartsearching" that it would be impossible to police and enforce the age ranges. Publishers and some MPs argued that the Bill could even be counter-productive, tempting youngsters to read magazines in a higher age range.

Mr Luff, parliamentary private secretary to the Lord Chancellor, put forward the measure under the 10-minute rule bill procedure after being shocked by the contents of his 10-year-old daughter's magazine, and had argued that an independent panel could decide on age certificates and hear complaints.

While the Government could have carved out the parliamentary time to enable the Bill to be passed, ministers have conceded that the only way forward is to persuade the magazine industry to police itself.

Following a meeting with Tom Sackville, the Home Office minister, editors and publishers have promised to draw up a voluntary code of practice to spell out in detail what sort of material is suitable for children of different ages. Critics argue that the effect of the code would do little more than ensure that articles spell out that sex under the age of 16 is illegal.

The question of the sexually explicit content of teenage magazine advice columns hit the headlines last November after *TV Hits* published advice to a 16-year-old on oral sex. Some retailers took the issue off the shelves after parents' complaints.

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## news

# Private sector presses for hospital cash deal

NICHOLAS TIMMINS  
Public Policy Editor

None of the Government's flagship private finance deals for new NHS hospitals has been formally signed, it has emerged. The private sector is demanding statutory guarantees that the multi-million-pound contracts, which run for decades, will be honoured.

Stephen Dorrell, the Secretary of State for Health, is attempting to rush through legislation to provide the commitment required because other big schemes – including a £140m 700-bed greenfield-site hospital in Norwich and a £90m development at Swindon – are piling up on the stocks.

Without a change in the law, the new privately run and financed hospitals could face delay or even be cancelled.

Mr Dorrell has admitted that he is attempting to fill "a hole"

in NHS legislation. But Labour has accused him of committing "a gaffe" by unintentionally providing a blanket guarantee that the taxpayer will underwrite any borrowing by an NHS Trust when he lacks statutory powers to control that borrowing.

Under existing legislation, it is a matter of pure discretion whether the Secretary of State takes on the liabilities of a trust or any other NHS body when it is dissolved.

Bankers and others involved in the private finance deals are demanding that the Government should have a duty to do that if they are to sign up to deals on the lines of the £50m 150-bed redevelopment of St James's in Leeds and the £35m redevelopment at Amersham and Wycombe Hospitals. Both have already been announced.

In anticipation of such private finance arrangements becoming common, the Government has

cut NHS capital spending sharply for this and future years. But without the guarantee, Labour claimed, Mr Dorrell cannot deliver and "the promises of new hospitals that he has made to local people are set to be broken".

The need is sufficiently acute for Mr Dorrell to have sought Labour assistance in putting through a four-clause NHS Residual Liabilities Bill to that effect, facing Harriet Harman, his Labour opposite number, the night before its publication and seeking Labour's co-operation over what the department describes as a "technical" change.

Labour, however, will now oppose the Bill at its second reading tomorrow, and Ms Harman claimed that Mr Dorrell had "blundered" and "failed to think this through".

"This Bill creates an impossible problem for the public sec-

tor," she said. While the NHS has management controls over how much trusts can borrow, there is no statutory control save an overall ceiling of £5bn on their joint borrowing.

"It is clear from our reading of the law that trusts can borrow without the Secretary of State's specific approval and yet this Bill would make the taxpayer liable. But why should the public sector meet these liabilities if it has not agreed to them in the first place?" Ms Harman added.

Despite being a former Treasury minister, Mr Dorrell appeared to be taking "serious risks" with public finances, Ms Harman said.

And while he could add powers to the Bill to control trusts' borrowing, that would remove a key element of the independence which ministers gave as a reason for creating them in the first place.

## Threatened habitats: Conservation offers hope for rare plant species



Read all about: When pupils at Henbury View First School in Corfe Mullen, Dorset, wanted to build an Iron Age hut, staff at Lymington Reedbeds Nature Reserve were happy to cut raw material for the roof. Photograph: Edward Sykes

## Signs of life on the spoil heap

NICHOLAS SCHOON  
Environment Correspondent

Young's Helleborine is an undistinguished-looking orchid but it is very rare and in need of help.

It is only found in Britain. The total population is believed to number less than 700 plants, scattered among just six known sites. Its preferred habitat is tree-covered spoil heaps found beside old mineral workings.

Strangest of all is the fact that in evolutionary terms, it is brand new – a novel plant species which arose as recently as a few decades ago. Botanists believe it may have begun as a hybrid between two closely related orchids.

Like all of its kind, it relies on a fungus entwined in its roots to break down organic matter in the soil and provide nutrition. But while many orchids have flowers with clever and complex ways of attracting insects, their sticky pollen on them, the greenish-white flowers of Young's Helleborine are self-pollinating.

The greatest threat it faces is the bulldozing of the spoil heaps it lives on, either for development or because their contents, once waste, are now useful.

One site in England was destroyed 10 years ago. Bardykes Bing, an old heap on the edge of Glasgow, now holds the biggest known population. But the orchid has no future there: a company has been granted planning permission to dig out the entire tip. It uses the red

Heritage  
of the wild

minerals inside for laying clay, tennis courts.

Fortunately, the company is sympathetic. It is giving the plant conservation charity Plantlife and the Scottish Wildlife Trust a three-year stay of execution to see if the orchids can be transplanted.

Young's Helleborine has been placed on a list of 116 rare or fast-declining British plant and animal species for which rescue plans have been proposed. The plan includes finding out whether there are any spoil heaps to which plants at threatened sites like Bardykes Bing could be transplanted. The implementation costs are put at just £3,000 a year.



Rare: Young's Helleborine



John Dowty, Price Waterhouse.

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مكتبة الأمل



## NUM has only £804 to fight election

PATRICIA WYNN DAVIES  
Political Correspondent

The once-mighty National Union of Mineworkers has just £804 in its political fund, causing mounting alarm among union-sponsored Labour MPs that thousands of pounds they expected to be available to fight the general election will no longer be forthcoming.

The paltry sum, to be recorded in the union's accounts for the year ending 31 March, stands in contrast to the £132,000 figure published by the Certification Officer, the union financial watchdog, in December 1994. In the strike year, 1994, the union had almost £1.2m in the fund. This had fallen to £500,000 by 1989.

A separate political fund must be used for payments to constituency parties, MPs and election expenses. But none of the 12-strong group of NUM sponsored MPs – which includes figures such as the left-winger Dennis Skinner – or their constituencies has received any money for two years. Under the so-called Hastings Agreement – which Labour's National Executive Committee (NEC) scrapped in favour of voluntary payments by unions to constituencies last month – the NUM used to pay 80 per cent of sponsored MPs' election expenses, worth about £4,000 per candidate, and £400 a year to each MP plus £600 a year to their constituencies. In practice, the MPs took no personal benefit, channelling the £400 back to meet constituency expenses.

NUM membership now stands at barely 7,000, compared to 600,000 in the 1920s, when the union sponsored more than 40 MPs from pit constituencies and was the backbone of Labour Party finances.

Last December the sponsored MPs agreed informally

with Arthur Scargill, the union's president, to forgo current payments of the contributions and in effect allow the union to store them up for release at the time of the election.

But the MPs were horrified to learn that Mr Scargill told the NEC last month that the MPs had agreed to a permanent change in NUM rules giving the union complete discretion over what it pays out and to whom.

The discovery of the tiny sum of money in the political fund has set alarm bells ringing over the financing of a looming general election campaign.

The group is pressing Mr Scargill for a meeting to discuss whether there will be any money at all, and whether it would be paid to the constituency parties, as allowed under the new arrangements passed by the NEC last month.

One MP said of the rule change, passed at a special union meeting: "We didn't agree to a change of rule or agree that this should be a permanent situation. We were not told, not consulted, over changing the rules."

He added: "To pull the rug from under us at this stage would be a disaster. There could be an election this year. We don't have time to fund-raise enough money."

The souring of a historic sponsorship tradition going back almost 90 years coincides with fears that Mr Scargill would attempt to use the union's funds to support his breakaway Socialist Labour Party which he set up as the left-wing answer to Tony Blair's "new" Labour Party. But few MPs believe he would garner sufficient support for this move within the union at large. They believe the difference between the £132,000 and the present £804 has simply been used for the union's own purposes.



Take aim: A passenger on Stena's Newhaven to Dieppe ferry takes advantage of the latest on-board entertainment, clay-pigeon shooting, introduced on the route for the first time at the weekend. Photograph: Andrew Hasson

## Inventor fights Sony for patent

NICOLE VEASH

It will be a David and Goliath style contest. Today at the Court of Appeal in London, one of the world's most powerful corporations will do battle with a middle-aged inventor over patent rights for the Sony Walkman.

Andreas Pavel, 51, will try to prove he invented the portable stereo in 1977, two years before Sony launched it on the market. The Walkman, the revolutionary electronic hit of the Eighties, has earned the Japanese company an estimated £3bn in worldwide sales over 17 years.

Pavel, who was once a television consultant, filed his patent for a "stereophonic reproduction system for personal wear" after conceiving the idea of a miniature cassette player as a way of listening to his favourite music, while on holiday in Europe.

His machine comprised a pair of headphones strapped to a bulky utility belt, which was

attached to a small cassette player, amplifier, batteries and a storage pouch.

In 1990 Pavel lodged his case to establish an infringement of patent in the new Patent County Court, set up by Margaret Thatcher to make justice quicker and cheaper for individual and small businesses.

The judgment went against him, with the court ruling the claim invalid because the technology was "obvious" and "no significantly inventive".

The electronics giant also secured an injunction freezing Pavel's assets and ordered cost against him of more than £1m.

Pavel, the youngest son of a wealthy German industrialist, will be ruined if he loses on appeal.

One colleague said: "This has paralysed his life for years."

But if the judgment goes against Sony, Pavel stands to become a very rich man, by qualifying for royalties of between 1 per cent and 5 per cent in Britain, equivalent to £100m.

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TECHNOLOGY GONE WILD



Better times: Arthur Scargill, NUM president, now leads a union of barely 7,000 members.

### DAILY POEM

Ida Borowicz

By Wanda Barford

She had lived through the pogroms,  
lived through the death camps,  
lived through the labour camps.

But she died of joy at the rescue,  
one down in an alien land – the moon still out –  
when three angels dropped out of the sky.

snatched the people from their once-again persecutors  
and flew them home,  
her bullet-pocked body among them.

When they'd cried: 'Shalom, nobody move, it's us',  
she'd leapt up singing  
and the machine-guns mowed her down.

Wanda Barford's *Sweet Wine and Bitter Herbs* (Flambard Press, £6.95) is her first collection of poetry and is a personal contribution to the growing body of literature about, or inspired by, the Holocaust. The book will be featured during Jewish Book Week, which begins today. Subtitled *Poems on being a Jew in the Twentieth Century*, Barford's collection records the experience of flight, exile and journeying to uncertain destinations that was the experience of her own family, seven of whom perished at Auschwitz, and to whom she dedicates the poems.

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# international

Iran in the firing line: Proof hard to find in 'terror capital'

## Big Martyr replaces cult of Big Brother

ROBERT FISK  
Tehran

Fathi Shkaki has joined the street-name martyrs of Tehran. A decade ago the honour was bestowed on Bobby Sands but now the name of the assassinated leader of Islamic Jihad has been inscribed above the intersections of one of central Tehran's main highways.

He was murdered by Israeli agents in Malta in October, after he had boasted of his organisation's suicide bombing of more than 20 Israeli soldiers at a bus stop near Tel Aviv. So what, asks the visitor to Tehran, should we conclude from Tehran's latest street name? Support for "terrorism"? Or a harmless throw-back to the Iranian revolution's original support for "freedom-fighters"? I met Shkaki not long before he died and, here in Tehran, I found his face above me, painted on an apartment block. In Tehran, it's not Big Brother who looks down upon you, but Big Martyr.

Iran gave money to the families of Islamic Jihad's "martyrs", he told me. He visited Iran several times but insisted Iran gave little financial assistance to relatives of dead Islamic Jihad



Rafsanjani: Walking a fine line between radicals and reality

members and never paid for military operations.

Which was almost – but not quite – what Ali Akbar Velayati said in the Tehran foreign ministry at the weekend when he told us Iran "has not supported – militarily or financially" the Hamas or Jihad or any Palestinian groups. Was this a terminological inexactitude or economy with the truth?

How easy it is for America and Israel to bestialise Iran as a dark force bent on destroying the peace process. How could it be, for example, that the Iranian Martyrs' Foundation honoured Yahya Ayyash – the Hamas bomb-maker assassinated by Israeli agents on 5 Jan-

uary and whose murder provoked the latest suicide bombings – by a religious ceremony in Tehran a few weeks ago? But when an Iranian asks why Israeli settlers turned the tomb of Baruch Goldstein, the settler who massacred 29 Palestinians in a Hebron mosque, into a place of pilgrimage, the answer does not seem so clear-cut. If a single Iranian group is supporting "terrorists" by honouring Ayyash, are Israeli settlers not doing the same thing by honouring Goldstein?

The longer one stays in Tehran – supposedly the capital of "world terrorism" and a focus of Wednesday's US-Israeli-European-Arab summit – the more difficult it is to believe in the scenario espoused by the Israelis, the US State Department, CNN and others, a scenario of which European ambassadors here have grave doubts. It's not that Iran has a clean slate. It is a matter of record that four years ago, Hamas, Islamic Jihad for the Liberation of Palestine and all manner of Lebanese kidnappers met in Tehran for a conference supporting the Palestinian intifada. Hojatoleslam Ali Akbar Mojtashemi, Mehdi Kharoubi and the other radical clerics were there. Mr Velayati also

turned up and so did the President, Hojatoleslam Ali Akbar Hashemi Rafsanjani.

Then, he was in no position to stay away from a such meeting. But today, Mr Mojtashemi and his friends are isolated, unable even to participate in last week's parliamentary elections.

Yet, in reality, this is not a monolithic state: there is no one overriding authority. There is Mr Rafsanjani, trying to improve the lot of women, gain acceptance in the West and break free of Washington's trade embargo. And there are more conservative clerics like Ali-Akbar Nateq-Nouri, who favours a more closed, Saudi-like, repressive but still economically open society. And behind them, within some elements of the security apparatus, are men watching for any sign the country's leaders may betray the revolution, by forgetting allegiance to militant Islam, to the "oppressed", to the martyrdom of the Palestinians.

It's the old story of walking a razor blade. Ignore the rubric of the revolution and you are doomed. Maintain the idiom and the world will accuse you of all its sins. Mr Rafsanjani addresses the world's press this morning and will once more have to walk the razor blade.



An Israeli soldier in Jerusalem yesterday boards a number 18 bus, the route attacked twice by bombers Photograph: AP

## Arafat arrests Hamas chiefs

PATRICK COCKBURN  
Ramallah, West Bank

Yasser Arafat, the Palestinian leader, yesterday arrested three leading members of the military wing of Hamas, amid growing complaints from Palestinians on the West Bank that they are effectively besieged.

Under intense pressure from

Israel and the United States Mr Arafat has so far arrested 600 Islamic militants as well as taking over mosques, schools and charities run by Hamas. Palestinian security forces in Gaza say they have arrested three men – Abdel Satari, Salem Abu Marouf and Kamal Khalifa – wanted for masterminding the suicide bomb attacks which killed 58 people in two weeks.

In Ramallah, the Palestinian town just north of Jerusalem, anger is growing against Israel rather than Hamas for the clampdown which has crippled business and made it difficult to get in or out.

"In the last two days we have got close to an explosion," said Mahmoud Jasser, an official of Fatah, Mr Arafat's political movement. "You can't move between the 465 villages on the West Bank. People can't work. Now they are saying that Israel is not serious about the peace process." He admitted that Fatah was divided on what line to take, which in practice means the

degree to which it is prepared to cooperate with Israeli security.

A sign of the division between Palestinians is the row over the future of Jibril Rajoub, the head of the Palestinian security organisation for the West Bank, who at the weekend was denying that he had been fired by Mr Arafat. Based in Jericho he is the most powerful Palestinian in the West Bank and a veteran member of Fatah who spent 16 years in jail. On Saturday, however, he was reported to have been replaced by Hussein al-Sheikh, the police commander for Ramallah.

The reason for Mr Rajoub's differences with Mr Arafat probably stem from his failure to stop the suicide bombers, whose local organiser, Mohammed Abu Wardah, was a student at a teacher training college in Ramallah. Mr Rajoub has always advocated treating Hamas as errant nationalists and not as enemies.

In Gaza on Saturday night Mr Arafat met George Tenet, the

deputy director of the US Central Intelligence Agency. The CIA reportedly repeated Israeli demands that Mr Arafat arrest five members of Izzedine al-Qasbi, the military wing of Hamas. The PLO leader appears to have decided that he has no choice – in the face of overwhelming Israeli and international pressure – but to clamp down on Hamas' military and civilian activities.

In reply Hamas said in a leaflet that it had decided to resume its suicide operations because the Palestinian Authority had gone "too far in its attack on Hamas". It said that the summit of 31 countries on terrorism in Egypt on Wednesday is "a desperate attempt to save the Zionists from humiliation and lift their cowardly spirits which were destroyed by our martyrs' courage".

In Israeli occupied south Lebanon Muslim guerrillas yesterday killed two Israeli soldiers and wounded four according to pro-Israeli militia sources.

## Israel warned over reprisals

SARAH HELM  
Palermo

The European Union yesterday sought to shore up the Middle East peace process by issuing a carefully worded statement, condemning "terrorism in all its forms" and advising against extreme military or diplomatic responses which could further fuel the violence.

Foreign ministers of the EU, meeting in Palermo, acknowledged Israel's need to take "tough measures" to assure the

safety of Israeli citizens following the latest bombing outrages.

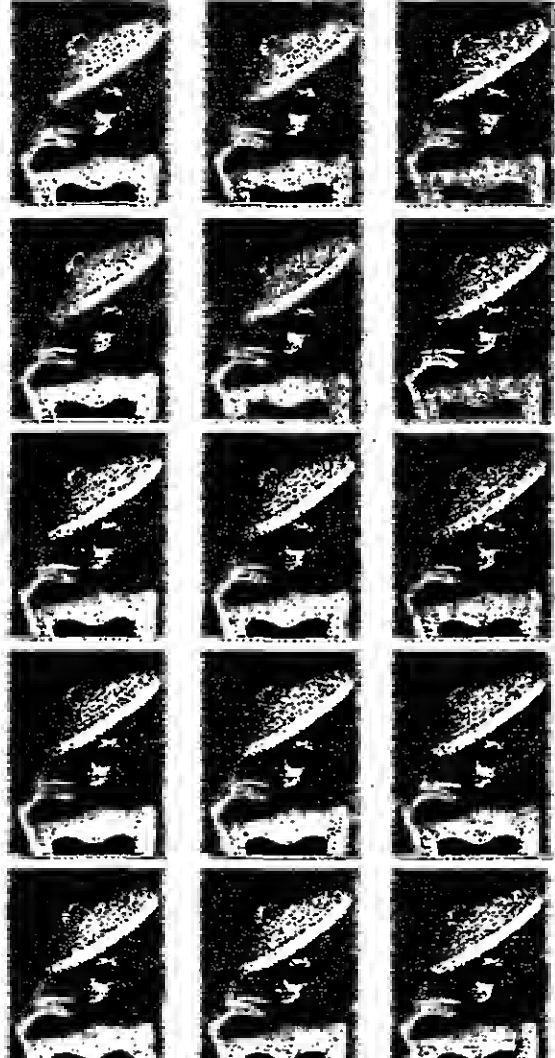
However, in a clear warning to Israel not to punish the Palestinian civilian population, the EU also recognised the "hardship" imposed upon the Palestinians, who have been sealed indefinitely inside the West Bank and Gaza Strip since the bombings, and urged Israel to allow humanitarian aid to enter the areas.

The ministers also voiced "concern" that Iran had failed

to condemn the bombings in Israel, perpetrated by the suicide bombers of Hamas, the Islamic Resistance Movement, but chose not to sever the so-called "critical dialogue" between the EU and Iran.

The last decision will anger the US, which argues that Iran is giving active economic and military support to Hamas.

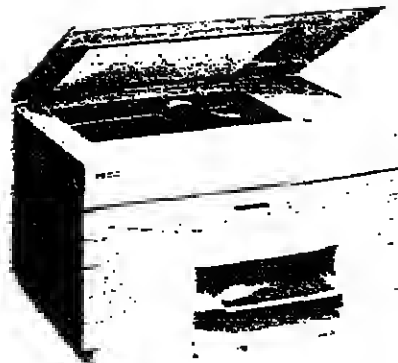
Malcolm Rifkind, the Foreign Secretary, said that a forthcoming EU mission would call on Iran to show support for Middle East peace process.



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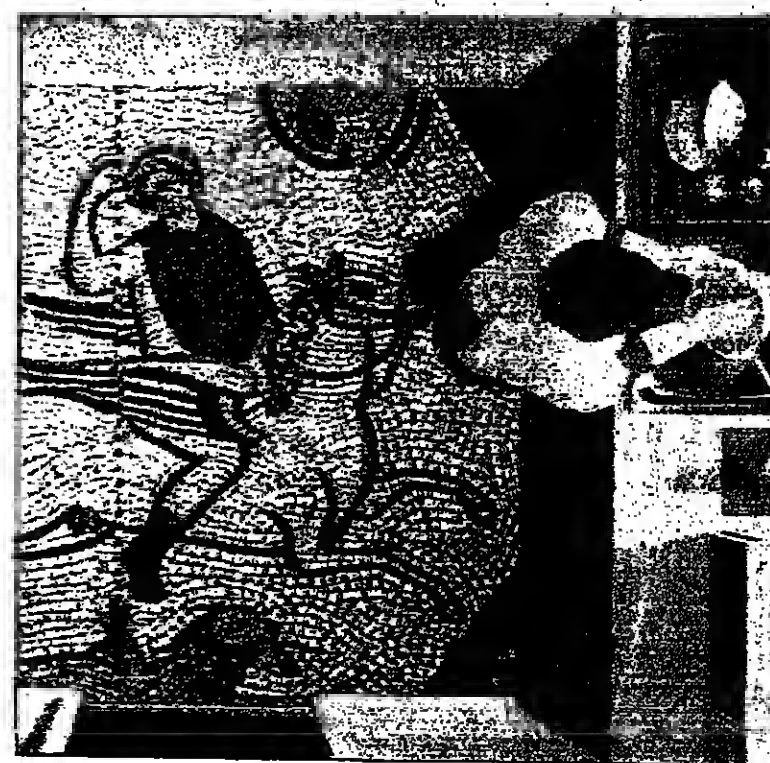
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# Thatcher echoes Churchill's warning call

RUPERT CORNWELL  
Fulton, Missouri

Killed bagpipers marched, choirs sang, and a motored car from the period rolled along the same route that Winston Churchill and Harry Truman took half a century ago. But since the year is 1996 not 1946, and since Margaret Thatcher was the guest of honour, the Irish Question also came to Fulton this weekend.

She was here, deep in the American mid-West, to give the lecture marking the 50th an-

niversary of Churchill's Iron Curtain speech. But an Irish-American contingent, including Matt Morrison, a former member of the IRA with 10 years in Long Kesh on his cv, was bent on something else: showing their feelings about a woman whom their nationalist cause loathes as few others. To be fair, they did not spoil the parade - they joined it.

The Rolls Royce Phantom bearing Baroness Thatcher and her husband Denis was supposed to bring up the rear, but the Irish tagged along behind.

"Britain out," they chanted. "Wanted for Murder," proclaimed their leaflets. "We're here to remind her of her past," said Mr Morrison, a resident of St Louis, but still embroiled in extradition proceedings. But as an indifferent local populace showed, if Irish America was on the streets, it couldn't spoil the script. For Fulton lives for one thing; and that is not all-party talks on Ulster.

Never in the history of human learning, has so small a town owed so much to one speech. Missouri's Westminster Col-

lege is tiny, just 600 students. But for decades now, the great of the planet have trooped here - Harry Truman, Gerald Ford, Edward Heath, George Bush, and in 1992 the just-deposed Mikhail Gorbachev among them - to receive honorary degrees and hold forth on the state of the universe.

All because, on 5 March 1946, Winston Churchill came to deliver an address at what President Truman told him was "a wonderful school in my home state", in which he warned of an "Iron Curtain" de-

scending across Europe. Oddly, news reports the next day barely mentioned the phrase. Today it is history, and Fulton has built an industry upon it.

The Churchill sowl adorns billboards on the nearby interstate 1-70. A Wren church gutted by a German bomb in the Blitz, was shipped from the City of London and now stands as the Churchill Memorial. A museum of Churchilliana occupies what would be the crypt. And to this English corner of a foreign field came Lady Thatcher. Her speech was a

mixture of the familiar (a tongue-lashing for the wicked bureaucrats in Brussels) and the modestly new, as she urged a "New Atlantic Initiative" based on a revived anti-missile defence system, and a North Atlantic free trade area that would complement a retooled Nato, all under explicit American leadership.

So much has changed, she pointed out, and yet so little. Then the threat was Stalin's Russia, now it was "rogue states" armed with chemical, biological and nuclear weapons, at a moment when the West had

lost its resolve. But the mood is similar: "anxious and huffing times" according to Churchill in 1946, a "pervasive anxiety about the drift of events" for Lady Thatcher now. And her remedy remained the same: the might of America, faithfully supported by Britain. Once more the English-speaking peoples must lead the world back to Churchill's sunlit uplands.

The audience of 1,300, some paying \$375 (£245) apiece, listened intently. Far more than Britons, Americans still admire Margaret Thatcher - last of the

great Atlanticists - Churchill's reincarnation. But the passion is fading. Some 3,000 at most lined the streets Gorbachev drew 20,000 Churchill himself double that. Soon, though, Fulton's latest basking in vicarious glory was over. Even as Lady Thatcher was speaking, the vintage cars were on their way back to St Louis. The hunting had disappeared within the hour, as had Mat Morrison's uninvited Irish American caucus - heading home to Chicago, Kansas City and points beyond.

## Saint of the City who stepped out of line

LOCAL  
HEROES: 7

Rafael Sencion

For the last year or so Rafael Sencion, a quietly spoken but serious-minded immigrant from the Dominican Republic, has not been behaving as he is supposed to. Acts of utter selflessness are out of place in New York; they tend to confuse people. Attacking the Mayor when you need his help is odder still.

Mr Sencion's story began last spring when budget cuts ordered by Mayor Rudolph Giuliani forced the city-funded housing association on the West Side of Manhattan where he worked to make 4 of its 12 staff workers redundant. Mr Sencion, then 39 and unmarried, was spared, but not so one of his co-workers, Larry Wood. Mr Wood had a wife, one child and a baby on the way.

And so for the selfless gesture: Mr Sencion concluded that Mr Wood needed to keep his job more than he did and so volunteered to walk the plank on his behalf. "Larry, you're about to have a baby," Mr Wood later recalled his friend telling him. "You can't lose your job right now."

So Mr Sencion left his \$33,000-a-year post and Mr Wood remained. It was not long, however, before the local press got wind of what he had done. Always hungry for a heart-warming story on their otherwise brutal beat, they gushed in praise. "The Saint of the City," blared the front page of *New York Newsday*.

If editors like such stories, so do politicians. The Giuliani administration jumped in to reward Mr Sencion with another job, with better pay, for the city's Housing Authority.

But then came Mr Sencion's second move. He wrote an opinion column in *Newsday* downplaying his own sacrifice and directing attention to what he believed was the much more important issue: Mr Giuliani's wrongheadedness in cutting funds for services to the city's poor in the first place. The headline on the piece: "If I'm a Hero, the Villain is the Mayor".

Surprise: the doors that had been opened so enthusiastically for Mr Sencion began suddenly to close. The Housing Authority job was withdrawn the same day that the article appeared in *Newsday*. Some weeks later, Mr Sencion was put forward to become an inspector for the Civilian Complaint Review Board that monitors police misconduct. That too came to nothing.

It seems that that application was rejected by something called the Vacancy Control Board (VCB) that watches over all recruiting by city agencies. Hector Soto, the official who had originally suggested Mr Sencion for the job, scribbled him a note: "Dear Rafael, I'm sorry. Tried everything, but VCB wouldn't approve."

Mr Sencion, who is now working for just \$22,000 a year for a housing association in the Bronx, is striking back. Last week, he announced he was suing Mayor Giuliani and several officials for denying him employment because of his views. "The city has basically blacklisted me. It's wrong and I am choosing to fight back."

Norman Siegel, director of the New York Civil Liberties Union, said: "With this you open the door to loyalty oaths, to blacklisting, where government will choose who can work and who can't work based on their political views."

Mr Giuliani may or may not be a villain, but has not Mr Sencion been just a bit of a fool as well as a hero? He replied: "I want to be able to think and do and act the way I feel, independently of what the consequences might be."

David Osborne



The eyes have it: A visitor takes a look at photos in a Marilyn Monroe mural in the reopened Museum of Contemporary Art, San Diego at the weekend. Photograph: Denis Poroy

## Texans discover home truths about US election rivals

JOHN CARLIN  
Dallas

Only now that the Republican primary has been decided, only now we all know that barring death or illness Bob Dole will be the party's presidential nominee, has some light been finally shed on the true character of the candidates, on the issues of substance that define and divide them.

Tomorrow is "Super Tuesday", the sweep of primaries across the southern United States which should finally set the seal on Mr Dole's challenge for the White House.

But ahead of this momentous occasion came an invaluable report in Saturday's *Dallas Morning News*, under the headline "Texans' Guide to the Candidates", telling us the favourite desserts, movies, songs and books of Mr Dole, Pat Buchanan, Steve Forbes and the man they are each presuming to displace, Bill Clinton.

The dessert list is the most telling. Mr Dole - dour, ancient, unimaginative - goes for chocolate ice cream. The fabulously rich Mr Forbes, battling to shrug off his quiche and croissant image, says he is an apple pie man. President Clinton, a glutton in his food as in his women, went for Peach Cobbler, a rich and creamy fruit tart.

Mr Buchanan's choice was the biggest surprise. Populist, demagogic, champion of the little guy, the candidate who urges his peasant-supporters to storm the bastions of corporate capitalism: he likes Grand Marnier soufflé.

In movies, however, Mr Buchanan's inclinations are more consistent with his public image. The only surprise is that he made the same choices as Mr Forbes. The two men are so different it is hard to believe they belong to the same species. Yet the film that has moved the two of them most is Mel Gibson's buttocks-baring Scots epic,

*Braveheart*. Mr Dole, who is making an obsessive third run for the White House, opted for *The American President* and Mr Clinton, who evidently likes to unwind by ceasing all mental activity, chose *Broken Arrow*, a recently released action movie directed by Jackie Chan, Hong Kong's king of kung-fu.

When it came to favourite songs, it was Mr Buchanan who again proved to be a psychoanalyst's delight. Stump terror

**Buchanan surprise**  
Pat Buchanan breathed new life into his fading presidential campaign, 48 hours before "Super Tuesday", with an upset win over Bob Dole in Republican caucuses in Missouri, the clutch of major primaries across the South, writes Rupert Cornwell. Almost complete returns showed the right-wing commentator with 35 per cent, Mr Dole 30 per cent and 26 per cent uncommitted. Voters were not directly choosing Missouri's 36 delegates to August's nominating convention in San Diego.

turned. Humpty Dumpty, he chose, "I Fall to Pieces", as sung by Patsy Cline. Mr Forbes, who would not be accused by his worst enemy of possessing a soul, went for the brazenly obvious "Stars and Stripes Forever". Mr Clinton, revealing his sappy side, is moved by "A Song for You". And Mr Dole, the sentimental old soldier for whom - to paraphrase the great Liverpool manager Bill Shankly - politics is more important than life or death, said his favourite was "You'll never walk alone".

The favourite books list was the least interesting, though once more it was the scourge-of-the-rich Buchanan who blew his cover by confessing that the last book he had read was *The Trap*, by Margaret Thatcher's super-rich buddy Sir James Goldsmith. Mr Forbes, earnest in his efforts to become a human being, chose *Value: Matter Most* by a certain Ben Wattenberg. Mr Dole chose a Lincoln biography, and Mr Clinton a book by his electorally spin doctor, James Carville. *He's Right, They're Wrong*.

It is no accident that the book preferences should have been the most perfunctory: few Americans read books. But the whole idea, of course, of making information available about personal tastes was merely to reach out to the electorate, to try and elicit the response: "Yeah! He's one of us!"

A veteran observer remarked that, with the exception of the incorrigibly blunt Mr Buchanan it would be a mistake to imagine that the candidates had no thought long and hard before providing the answers. "They probably spent millions of focus groups to decide whether *Braveheart* or *Rob Roy*, chocolate or chocolate chip ice cream were the right responses," the observer speculated.

Of the bunch, the man they call Filchfork Pat is the one who has spent the least on his campaign. Soon he won't have to spend anything at all, allowing him to return once more to his Washington mansion, sit back and read his favourite millionaire authors while sipping on his Grand Marniers.

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## international

## Taiwan seeks 'confidence amid storm'

TERESA POOLE  
Taipei

"Against China Threats", read a large banner as more than 1,000 people marched through a rainy Taipei yesterday afternoon. "This island is already independent. Try the Spratly Islands [disputed islands in the South China Sea]," was written on a sandwich board worn by one young woman.

The demonstration, organised by the opposition Democ-

cratic Progressive Party (DPP), was to vent public anger at mainland missile tests off Taiwan's north and south coasts. The message of those tests, which started on Friday, will be driven home by naval and air force exercises due to start tomorrow using live ammunition in the Taiwan Strait. China is seeking to put pressure on the Taiwanese, and the island's moves towards greater international recognition.

At the weekend, Peking an-

nounced that the new exercises would continue until 20 March, just three days before Taiwan's first democratic presidential elections.

President Lee Teng-hui, the front-runner in the polls, yesterday pressed on along his campaign trail, telling his audience: "The 21 million people in Taiwan should find confidence despite a storm, and choose with dignity choose the first democratically elected president in the 5,000 years of

Chinese history." Although almost certainly the winner, Mr Lee is campaigning hard, saying he wants a mandate of more than 50 per cent of the vote.

The mood yesterday in Taipei was one more of anger than of fear. At the DPP rally, one university professor said: "The people are here to protest against the Chinese coercion. Some people are scared, but not these people. My friends say they are going to fight back

against the mainland Chinese government. Once the missiles started, they got angry." The DPP's presidential candidate, Peng Ming-min, maintains that Taiwan already has de facto independence and that the island's government should drop the "one China" policy.

The marchers at the DPP rally were mostly younger Taiwanese, who cheered loudly as speakers with megaphones denounced China's provocations. Those addressing the rally all

spoke in the local Taiwan dialect, rather than standard Chinese. Both Mr Lee and Mr Peng are native Taiwanese, while the two other candidates are of mainland origin.

On Taipei's news-stands, the front pages of newspapers carry maps showing the site for tomorrow's military exercises, an area which reaches to a point about 40 miles from the Taiwanese-held Pescadores Islands.

But neither this nor the rain

appeared to be troubling the large number of people who were happily shopping in the city centre department stores.

One elderly man, mainland born but a resident of Taiwan since 1949, said he would vote for Mr Lee. "The mainland will not invade. Chiang does not eat Chinese," he declared confidently. Peking's belligerence is aimed at reducing support for Mr Lee, who it alleges is working towards independence for Taiwan.

## IN BRIEF

## Chechen retreat

Grozny — Russian soldiers searched for rebel fighters in Chechnya's capital after four days of clashes with the separatists. Local officials said most of the rebels had retreated, although snipers were still operating in some districts.

"Many of the rebels have got out of town, although there is still fighting in two or three places," said Ruslan Martagov, spokesman to the Russian-backed Chechen government. *Reuter*

Leading article, page 14

## Hostages moved

Srinagar — The four hostages being held in Kashmir, including two Britons, are being shipped back to the Kashmir Valley from the mountainous region where they have been held for eight months, apparently in preparation for their safe release, Mukhtar Ahmed writes. The state authorities believe that the shifting of the four tourists is imminent.

## Miladic goes skiing

Pale — Bosnian Serb military commander Ratko Mladic, who has been indicted for war crimes, was spotted skiing this weekend on the slopes above Sarajevo in a typical show of defiance against the world which condemns him. It was the first time in months that Mladic has been seen in public. *AP*

## British soldier shot

Limassol — A British soldier was shot and slightly wounded yesterday when a group of drunken soldiers attacked a Cypriot policeman who fired warning shots, police said.

A police statement said the policemen intervened to break up a brawl between half a dozen British soldiers and local youths outside a pub in the predawn hours. *AP*

## Hijack fails

Macau — Two Chinese couples carrying dynamite tried to hijack a Chinese domestic flight to Taiwan but were arrested when the plane landed in the southern city of Zhuhai. *AP*

## Ugandans killed

Kampala — Christian fundamentalist rebels killed 21 people and kidnapped 52 in an attack on an army-escorted convoy of buses and other vehicles in northern Uganda.

Just 24 hours earlier, the Uganda People's Defence Forces said rebels had massacred 28 people. *Reuter*

## Swiss save Romansh

Zurich — Swiss voters overwhelmingly backed a bill designed to preserve Romansh, a 2,000-year-old language spoken in a handful of Alpine valleys. *Reuter*

## Britain to face £300m 'fraud' fine

KATHERINE BUTLER  
Brussels

Britain is among EU governments facing fines totalling over £300m for fraud against the Union's agriculture budget. The European Commission is set to demand back subsidies illegally paid out to farmers, meat factories and agricultural exporters in 1992 or preceding years.

Italy, Spain, Greece and Ireland together account for more than half of the penalties for cheating in the dairy, cotton and beef sectors respectively. But Britain, a constant critic of EU waste and fraud will not escape: lax controls over farm spending means the Government will have to pay back at least £8m. Most of the penalty facing the UK relates to cases of alleged fraud in the beef industry. These came to light during a two-year long probe which also spanned Ireland, France and Italy. While Ireland has emerged as by far the biggest offender, a report prepared by outside consultants to the commission confirms there is "incontestable evidence" of serious breaches by the authorities in all four states.

The report, seen by the *Independent*, lists flaws in the management of the EU funded beef storage system which is designed to keep up the beef price. These included accep-

ance of sub-standard meat for subsidised storage, systematic falsification of documentation relating to the classification of meat; "total absence" of controls over the weights or value of meat as it entered or left intervention; and yawning gaps in accounting procedures.

Following a conciliation process Britain has succeeded in persuading the Commission to reduce its fine from the original £12m figure recommended by officials. Dublin is still facing a ruinous penalty of over £100m, one of the biggest ever imposed on a member state.

EU inspectors found extensive abuses of the beef intervention system in Ireland over the years 1990 to 1992, corroborating the findings of the Irish government's own 1992 beef industry tribunal which led to a number of prosecutions. Frantic lobbying by the Irish government — even the Prime Minister, John Bruton, has intervened — has failed so far to persuade the Commission that it should agree to a rebate.

A final ruling on the exact scale of all the penalties is expected next week, when the 20 Commissioners gather to carry out the annual "clearance of accounts", an exercise which involves cross-checking permitted expenditure from the £30bn farm budget against actual payments. Member states are responsible for handling 80 per cent of payments under the CAP and it is their failure to maintain adequate checks which the Commission blames for the vast bulk of fraud.

The Union's spending watchdog, the Court of Auditors, refused to certify the EU's accounts for 1994 on the basis that £2bn could not be properly accounted for. But it pointed the finger at EU governments rather than Brussels for sloppy controls and lax financial management.



Intervention: John Bruton



Dark days: Members of the New Front Party staging the seventh day of a sit-in at a parliamentary committee room in Tokyo aimed at blocking passage of the annual budget. They oppose plans to introduce a 685 billion yen (£4bn) plan to wind up ailing firms. Photograph: Kimimasa Mayama/Reuter

## S African 'bombers' break out of jail

ROBERT BLOCK  
Johannesburg

South African police conducted a desperate manhunt yesterday to track down four right-wing militants who broke out of a jail near Johannesburg at the weekend.

The four men — all suspected of involvement in a bloody bombing campaign on the eve of the country's historic all-race 1994 elections — had seen through two iron-grate gates and smashed down a steel-bolted door to make their escape.

The audacious breakout, less than three weeks before judg-

ment was to be announced in their cases, capped what appeared to be a heady weekend for South Africa's extreme right.

On Saturday, just hours before the escape was announced, Eugene Terre-Blanche, the fire-breathing leader of the neo-Nazi Afrikaner Resistance Movement (AWB), emerged from months in the political wilderness to announce that the extreme right was alive and well and was planning "resistance" against the government of President Nelson Mandela.

"Peace is not coming, President Mandela," he told a crowd

of belligerent supporters in Germiston, east of Johannesburg. "We are going on with the struggle and we will never ever accept this regime. Never."

He reiterated the right-wing call for a white homeland in South Africa, a move long rejected as unacceptable by Mr Mandela. Mr Terre-Blanche, dressed in black fatigues, also suggested that if the government refused to release the bombing suspects then his forces would go in and get them.

Before the speech, Mr Terre-Blanche rode a black horse at the head of a parade of at least

200 khaki-clad members through the town centre as crowds and police and soldiers watched.

The AWB's blundering mock martial antics and the pre-election bombing campaign are today widely regarded as an embarrassment by all but the most unbigoted. And while Mr Terre-Blanche and his band of gun-toting farmers are not widely viewed as a significant threat to Mr Mandela's government, there are many active police and military men who are sympathetic to the right-wing cause. The authorities announced yesterday that they

were investigating the possibility that the escape of the four suspected bombers was accomplished with inside help.

The four fugitives were among 18 right-wingers charged with involvement in the bombing spree which killed 21 people.

## Wire 'zip' becomes the oyster's undoing

PARIS DAYS

Just when a particular facet of the French way of life seems threatened by some unpleasant reality of the modern world, up comes a Frenchman with an ingenious idea for rescuing it. From time to time, though, things go wrong. Take oysters. Stabbing yourself with the oyster-knife ranks pretty high on the list of French gastronomic risks — not far behind bruising your eye (or worse) with a wayward champagne cork. Which is why, last autumn, a Breton by the name of Yves Renault might have thought his fortune assured.

He had invented and patented a better oyster-opener, and expected to see it in production just in time for France's peak oyster-eating season of Christmas and New Year. Alas, it was not to be.

Instead, the invention became the subject of litigation between the North Breton oyster-cultivators, to whom he had sold a licence to exploit the patent, and a recently constituted company inexplicably named Fizz, to which the oyster-growers had subcontracted development of the opener.

The busy host or hungry guest would simply draw it between the two halves of the shell: a twist of the lemon, and the oyster was ready. No scarred hands, no stabbed neighbours. Whatever the benefits,

though, the oyster wire immediately became a subject of controversy, and not just among the professional oyster-openers whose livelihood seemed threatened. The main question, inevitably, was the gastronomic one: didn't the wire impair the size or taste of the oyster?

Mr Renault insisted that tests had shown wired oysters to be just as plump and tasty as unwired oysters, but the wire had to be of a special sort and it had to be implanted in particular conditions. Moreover the wires had to be inserted by hand, and one person could manage a maximum of 150 an hour. The prospect of unemployment for the professional oyster-openers receded, as did the likelihood of wired oysters for Christmas.

The North Breton oystermen meanwhile had encountered further difficulties. In their tests, an unacceptable proportion of the wired oysters died. Production was further delayed. Fizz, for its part, had sold distribution rights to a leading French supermarket chain and complained that development was too slow. The North Breton oystermen objected that they had bought the right to market as well as develop the wire and went to court. The judge at Morlaix in Brittany has just found in their favour. Rights to the oyster wire lie with the cultivators, and the French are unlikely to be unzipping their oysters much before next Christmas, if then.

One invention that has gone entirely as planned is the do-it-yourself breathalyser. Last

summer, even as the French government was putting the finishing touches to new drink-drive restrictions — snappy slogan: "After more than two glasses, it all goes much faster" — the marketing men were perfecting their response.

This was a disposable breathalyser, mass-produced and sold over the counter for 10 francs (about £1.30) in supermarkets, service stations, restaurants and bars — the very places where people might want to know whether it was safe for them to drive.

I can imagine the frown on the face of the British policeman already. "The do-it-yourself breathalyser won't be reliable, it will give drivers a false sense of security. If you think you need to take the test, you clearly should not even be thinking of driving... it will encourage drivers to argue, to contest the charge..."

Here, they take a different view. The authorities think the do-it-yourself test could encourage a sense of responsibility, while drivers want to know the odds — not to contest the validity of the police test, just to calculate their chances.

The availability of the test may or may not cut drink driving and the related accidents — alcohol is said to be a factor in one in three accidents in France — but it probably won't increase it. On the other hand, it will not decrease the incidence of champagne cork injuries. French inventors: there lies your next challenge.

Mary Dejevsky

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# The strange death of civic America

Charities, clubs and even bowling leagues are collapsing in the US. So is trust in others. Robert Putnam names the culprit

For the past year or so I have been wrestling with a difficult mystery. It concerns the strange disappearance of social capital and civic engagement in the United States. By this I mean features of social life – networks, norms, and trust – that enable participants to act together more effectively to pursue shared objectives.

Evidence for the decline of these phenomena comes from a number of independent sources. Surveys of average Americans in 1965, 1975 and 1985, in which they recorded every single activity during a day – so-called "time budget" studies – indicate that since 1965 time spent on informal socialising and visiting has gone down (perhaps by one quarter) and time devoted to clubs and organisations is down even more sharply (by roughly half). Membership records of such diverse organisations as parent-teacher associations, the League of Women Voters, the Red Cross, trade unions and even bowling leagues show that participation in many conventional voluntary associations has declined by about 25 per cent to 50 per cent over the past two to three decades. Surveys show sharp declines in many measures of collective political participation, including attending a rally, a meeting about town or school affairs, or working for a political party.

Some of the most reliable evidence about trends comes from the US national opinion research centre in Chicago, the General Social Survey (GSS), conducted nearly every year for more than two decades. The GSS shows, at all levels of education and among both men and women, a drop since 1974 of roughly one quarter in group membership and a drop since 1972 of roughly one third in social trust. Slumping membership has afflicted all sorts of gatherings, from sports clubs to literary discussion groups. Reversing this trend depends, at least in part, on understanding the causes of the strange malady afflicting American civic life. Many possible answers have been suggested for this puzzle, and they are worth looking at closely.

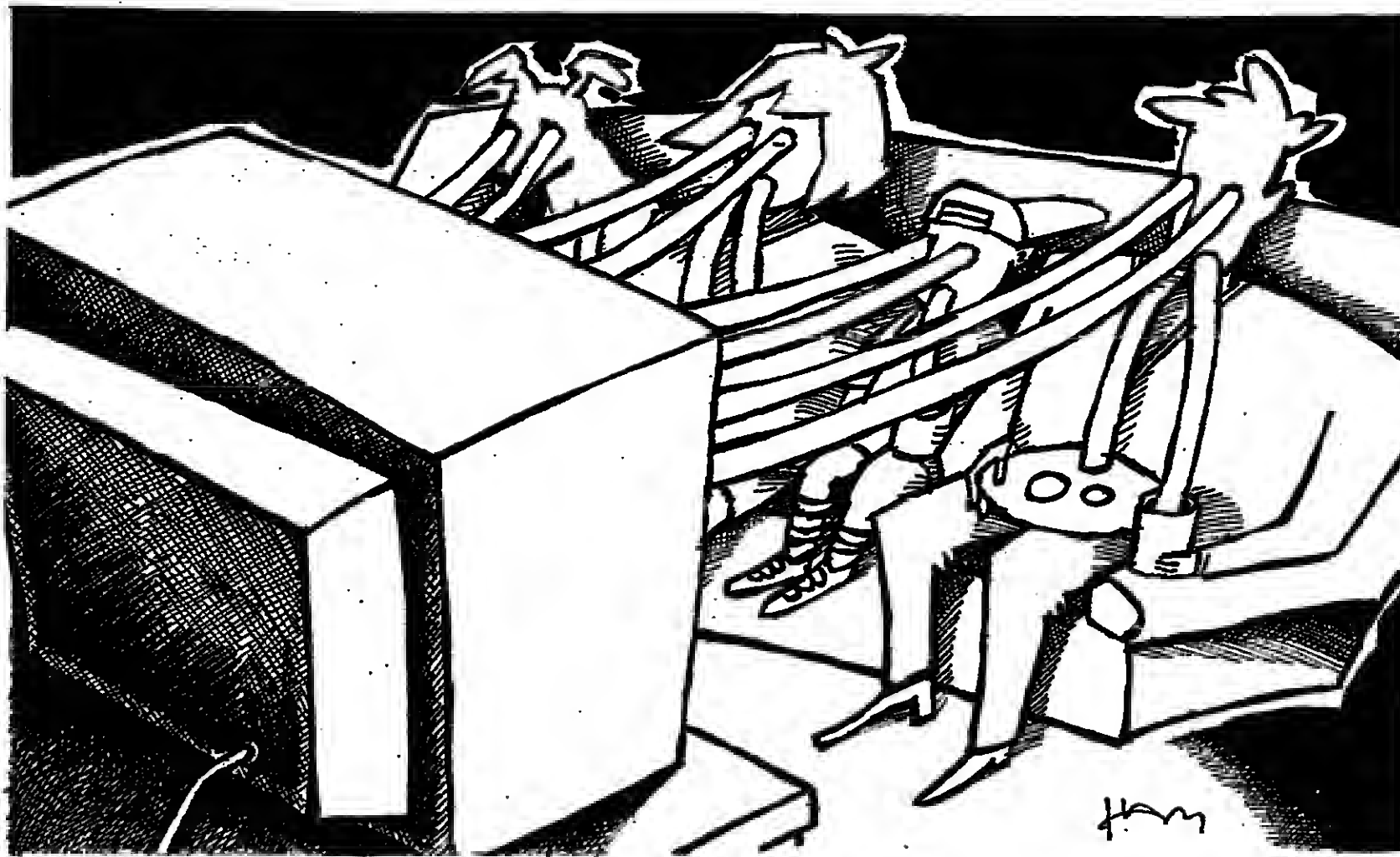
Studies have found that residential stability and home ownership are associated with greater civic engagement, but data from the US Bureau of the Census show that the number of people who have moved house has been remarkably constant over the past half century. In fact, to the extent that there has been any change at all, both long-distance and short-distance mobility has declined over the last five decades.

But if the sheer number of house moves has not eroded our social capital, could it be possible that we have moved to places, especially suburbs, less congenial to social connectedness? No: in fact, the downward trends in trusting and joining are virtually identical everywhere – in cities, in suburbs, in small towns, and in the countryside.

Americans certainly feel busier now than a generation ago. The proportion who report feeling "always rushed" jumped by half between the mid-1960s and the mid-1990s. And lurking nearby in the shadows are the economic pressures so much discussed nowadays, from job insecurity to declining real wages.

Yet, however culpable busyness and economic insecurity may appear at first glance, it is hard to find incriminating evidence. First, studies do not confirm the thesis that Americans are, on average, working longer than a generation ago.

But in any event, other data call into question whether longer hours at work lead to reduced civic life and social trust. The GSS figures show that employed people belong to more groups than those outside the paid labour force. Even more striking



is the evidence that among workers, longer hours are linked to more civic engagement.

So hard work does not prevent civic engagement. Moreover, the nationwide fall-off in joining and trusting is perfectly mirrored among full-time workers, among part-time workers, and among those outside the paid labour force. If people are dropping out of community life, long hours do not seem to be the reason.

What about financial pressures? It is true that people with lower incomes are somewhat less engaged in community life and somewhat less trusting than those who are better off. On the other hand, the downward trends in social trust and civic engagement are visible among people of all incomes, with no sign whatever that they are concentrated among those who have borne the brunt of the economic distress of the past two decades.

The most significant social change of the past 50 years has been the movement of women out of the home and into the paid labour force. However welcome it may be, it is hard to believe that it has had no impact on social connectedness. Could this be the primary reason for the decline of social capital over the past generation?

Some patterns in the survey evidence seem to support this claim. Memberships among men have declined at a rate of about 10 to 15 per cent a decade, compared with about 20 to 25 per cent a decade for women. These trends, coupled with the obvious transformation in the professional role of women over this same period, led me in previous work to suppose that the emergence of two-career families might be the most important single factor in the erosion of social capital.

As we saw earlier, however, work status itself seems to have little net impact on group membership. Indeed, the overall declines in civic engagement are somewhat greater among housewives than among employed women. The central fact is that the overall trends are down for all categories of women, but women who work full time may have been more resistant to this slump than those who do not.

Another widely discussed social trend that coincides with the downturn in civic engagement is the breakdown of the traditional family unit – mom, dad, and the kids. Since the family itself is, by some

Circumstantial evidence, particularly the timing of the downturn in social connectedness, has suggested to some observers that an important cause – perhaps even the cause – is big government and the growth of the welfare state. By "crowding out" private initiative, it is argued, state intervention has subverted civil society.

An empirical approach to this issue is to examine differences in civic engagement and public policy across different political jurisdictions to see whether enlarged government leads to shrivelled social capital. Among the US states, however, differences in social capital appear essentially uncor-

are younger. Since national surveying began, this cohort has been exceptionally civic voting more, joining more, reading the newspapers more, trusting more.

These patterns hint that growing up after the Second World War was a quite different experience from growing up before that watershed. It is as though the post-war generations were exposed to some mysterious X-ray which permanently and increasingly rendered them less likely to connect with the community. Whatever that force may be, it accounts – rather than anything that happened during the 1970s and 1980s – for most of the civic disengagement at the core of our mystery.

What could have been the mysterious anti-civic "X-ray" that affected Americans who came of age after the Second World War and whose effects progressively deepened at least into the 1970s?

There is only one prominent suspect against whom circumstantial evidence can be mounted. The culprit is television.

The timing fits. The long civic generation was the last cohort of Americans to grow up without television, which flashed into American society like lightning in the 1950s. In 1950, barely 10 per cent of American homes had sets, but by 1959, 90 per cent did – probably the fastest diffusion of a technological innovation ever recorded.

In the early years, viewing was concentrated among the less educated sectors of the population, but during the 1970s the viewing time of the more educated sectors of the population began to converge upward. By 1993, viewing per set-owning household was more than 50 per cent higher than it had been in the 1950s. Most studies estimate that the average

American now watches roughly four hours a day. Even a more conservative estimate of three hours means that it absorbs 40 per cent of the average American's free time, an increase of about one third since 1965. This enormous change in the way Americans spend their days and nights occurred precisely during the years of generational civic disengagement.

The links between civic engagement and television viewing can be instructively compared with the links between civic engagement and newspaper reading. Each hour spent viewing is associated with less social trust and less group membership, while each hour reading a newspaper is associated with more. An increase in viewing of the magnitude that the US has experienced in the past four decades might directly account for as much as one quarter to one half of the total drop in social capital, even without taking into account, for example, the indirect effects of viewing on newspaper readership or the cumulative effects of lifetime viewing hours.

Even though there are only 24 hours in everyone's day, most forms of social and media participation are positively correlated. Thus people who listen to lots of classical music are more likely, not less likely, than others to attend baseball games. Television is the main exception to this generalisation – the only leisure activity that inhibits participation outside the home. Viewers are homebodies.

An impressive body of literature suggests that heavy viewers are unusually sceptical about the benevolence of other people – over-estimating crime rates, for example. Heavy viewing may well increase pessimism about human nature. And it may increase passivity.

More than two decades ago, just as the first signs of disengagement were beginning to surface, the political scientist Daniel de Sola Pool observed that the central issue would be whether the development represented a temporary change in the weather or a more enduring one in the climate. It now appears that much of the change whose initial signs he spotted did in fact reflect a climatic shift.

In an astonishingly prescient book, *Technologies Without Borders*, published in 1991 after his death, Pool concluded that the electronic revolution in communications technology was the first big technological advance in centuries which would have a profoundly decentralising and fragmenting effect on society and culture. He hoped that the result might be "community without continuity". As a classic liberal, he welcomed the benefits of technological change for individual freedom – and in part I share that enthusiasm. Those of us who bemoan the decline of community in contemporary America need to be sensitive to the liberating gains achieved during the same decades. We need to avoid an uncritical nostalgia for the 1950s.

On the other hand, some of the same freedom-friendly technologies whose rise Pool predicted may indeed be undermining our connections with one another and with our communities. Pool recognised that social values can alter the effects of technology. This perspective invites us not merely to consider how technology is privatising our lives – if, as it seems to me, it is – but to ask whether we like the result; and if not, what we might do about it. Those are questions we should, of course, be asking together, not alone.

A fuller version of this essay appears in the March edition of *Prospect* magazine.

It is as though the post-war generation was exposed to a mysterious X-ray which rendered them less likely to connect with the community

accounts, a key form of social capital, perhaps its eclipse is part of the explanation for the reduction in joining and trusting in the wider community.

Married men and women do rank somewhat higher on both our measures of social capital. Married men and women are about one third more trusting and belong to about 15 to 25 per cent more groups than comparable single men and women. Thus, some part of the decline in both trust and membership is tied to the decline in marriage. On the other hand, changes in family structure cannot be a major part of our story, because the overall declines in joining and trusting are substantial even among the happily married.

related with various measures of welfare spending or government size. Citizens in free-spending states are no less trusting or engaged than citizens in frugal ones.

In all our statistical analyses, however, one factor stands out as a predictor of all forms of civic engagement and trust. That factor is age. Older people are consistently more engaged and trusting than younger people, yet we do not become more engaged and trusting as we age. What's going on here?

There has been a long "civic" generation, born roughly between 1910 and 1940, a broad group of people substantially more engaged in community affairs and substantially more trusting than those who

## DIARY

### Natural Law wins! (just pretending)

Time, it seems, for the Natural Law party, never previously elected to parliament, to rejoice! It appears that the BBC has more confidence in its electability than the rest of us. Two weeks ago, when the corporation held the first of its general election dress rehearsals, it underwent four different dry-run scenarios, one of which predicted that the Natural Law party would win the seat of Bolton North East – a manoeuvre not likely to improve the temper of that seat's present incumbent, Peter Thurnham.

In case you think the BBC was merely joking – stories about Peter Snow's swingometer breaking have tended to colour the serious nature of this exercise – let me reassure you that the Beeb seriously invests in the implications of these drills. David Dimbleby (left) grills MPs' researchers, who act as stand-ins for their bosses, even more closely than he does on election night (as apparently a shaming researcher from Jack Straw's office will testify).

I understand that the BBC has never yet been caught out by an election. It has always been prepared for the right outcome. The four alternatives it proposes for the next election, therefore, are worthy of our attention. They are:

- 1) Labour landslide, winning 380 seats and a majority of 100;
- 2) The Tories hang on by their fingernails;
- 3) A Liberal Democrat breakthrough;
- 4) A hung parliament with a Labour majority.

The third scenario might seem remote, but the BBC knows better than to be hasty. Some will remember, with shame, how they nearly messed up in

1992. When asked to rehearse a Tory marginal victory scenario yet again, most staff yawned: "No, no – let's practise what's actually going to happen – let's go for the hung parliament."

### Gyngell wields the axe

There is an interesting update to my story last week about the Granada's late-night dating show *God's Gift*. (You may recall I revealed how the producers ran a special "gay" episode, which the advertisers Satchi & Satchi failed to pick up on and inserted advertisements for army recruitment into the commercial breaks.)

The episode caused something of a stir, it emerges, in the offices of Bruce Gyngell, chief executive of Yorkshire & Tyne Tees Television. Having happily broad-



cast the first 10 (heterosexual) shows, and voluntarily showed a repeat of each on Saturday night, Gyngell took one look at the tape of the gay show and decided to axe the series.

His official line is that he was "concerned about the quality of the programme". But Granada is not buying it. "You don't broadcast 20 hours of a programme and then decide the quality isn't up to it," says an insider, adding disparagingly "it's very simple – the man is a complete prude."

### Name that star

Phew. After endless sleepless nights, the problem that has been pressing on my mind more than any other recently – how to pronounce Demi Moore's name – is solved. "You pronounce it D'mee."

### Tricky's new party trick

Pop stars are too grand, you might think, to need to outcrash other people's private parties. Wrong. Last week at a birthday bash in North London the front door was flung open after midnight to reveal the pop singer, Tricky (a nominee in this year's Brit awards), flanked by two blondes in silver-halter-tops. That Tricky (otherwise known as Adrian Thaws) did not know a single person in the room (he did seem to restrain his behaviour in any way. He marched straight up to the DJ, turned off the music, and proceeded to have a row. Fused and emotional, he was escorted off the premises. Next day, I'm glad to report, he issued a suitable apology. But no explanation. Very odd.

the actress (below) told the British actor Richard E Grant, who writes about their meeting in this month's *Uncut Gems* and appears to find her pedantry on the subject amusing.

Which may strike some as rather pot-and-kettleish, since Grant is notorious in thespian circles for his insistence on punctuating his own name with that seemingly pointless initial.

### Fight at the opera

It is not often that the nation's left falls out with the nation's luvvies, but in one corner of London there is a quarrel going on which has not only placed the local Labour council in an uncomfortable dilemma, but could also become embarrassing for Tony Blair.

Sadler's Wells theatre, which falls, like Blair's London residence, under the jurisdiction of Islington Borough Council, has applied for planning permission to convert the neighbouring residence of 181 Rosebery Avenue into extra dressing rooms.

The one obstacle to his proposals lies in the fact that 181 Rosebery Avenue, though owned by Islington council, has been occupied by a housing co-operative for the homeless run by the Vietnam war veteran Tim Clark for 16 years.

Clark, just to make things even more problematic, is also the membership secretary of the local Labour ward and has managed to get its support in his attempts to block the Wells proposals.

He has also written to Blair to ask for his personal endorsement, and is awaiting a reply.

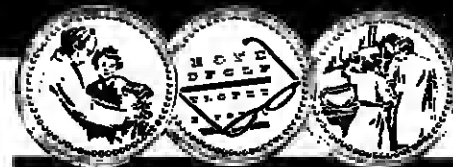
"We've spent £25,000 over 16 years on making this property suitable to run the co-operative," struts Clark. "How can a Labour council, in all honesty, turn against their own ideals?"

Crunch time is 4 April, when the council's planning committee is to meet. More reports, please.

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## Rail safety must take precedence

Just sometimes, politicians should take heed of omens. There is nothing to link Friday night's crash near Stafford – involving two privately owned trains – with rail privatisation. There have always been occasional railway accidents which can rarely be attributed to a single cause. At first glance, this was a typical incident caused by a random combination of events, including the sheer bad luck of a mail train coming along so soon after a freight train had been derailed.

But the accident took place against the background of news that the Government aims to dispose of all the rail franchises before a possible general election in spring 1997. The conjunction of these two issues – the crash and the franchise plans – has set alarm bells ringing.

There are no good practical or commercial reasons for speeding up the sell-off programme, which has so far seen only two franchises privatised in the past two years. Indeed, with so few groups, apart from bus companies and management buy-out teams, expressing an interest in the sales, a slower pace might be good for competition. Other companies would have the opportunity to show an interest and enter the market.

Yet the Government seems to have overlooked such considerations. The reason is political rather than economic. Ministers are obsessed with selling off the network before the election, regardless of the consequences of whether or not decisions harm the interests of the travelling public.

This attitude is particularly worrying because of its possible implications for safety. Last week, the Health and Safety Executive sounded a warning. Reading the HSE report on Railtrack's relationship with its contractors, it is clear that the

pace of change in the railway industry is too fast, not only for comfort but also for safety. The report found that while Railtrack had set up an effective framework for maintaining safety, it had failed to monitor its workings.

The strain is beginning to show elsewhere in the railways management. Typically, as the rail franchises are sold off, senior managers are carrying out three jobs simultaneously: preparing the railways for privatisation, drawing up their own management buy-out bids and running the services. This is already a heavy load; forcing the pace could lead to cracks appearing in the managerial systems, which until now have maintained our railways as the safest form of travel.

The push by Sir George Young, the Transport Secretary, to get the railways sold off as quickly as possible may also be politically naive. If Labour wins power and all the lines have already been sold, Labour would, for ever more, be able to blame the Tories for the state of the railways. If, instead, some lines were left with British Rail, it would be easier to rate the consequences of privatisation against those of privatisation.

But the greatest danger to the Government would be if a bad rail accident could be blamed on overhasty, poorly regulated privatisation. This would not only lead to an immediate halt on sales, it would also place an appalling black mark on the Government's record.

So far, such an accident has not occurred. But the Stafford crash demonstrates the potential danger of any suggestion that selling the railways is putting passengers at risk. The message to the Government must be: take it easy over privatisation and, above all else, put safety first.

## Braced for the end of the Yeltsin era

Amid the ruins of Grozny, Boris Yeltsin's political hopes have all but perished over the past few days. The Russian president has looked ineffectual and powerless as rebels have once again captured parts of the Chechen capital. He is now expected, according to his opponents, in a "second Afghanistan" from which there is no easy escape. The manifest failure of the Russian leadership over the past 15 months, either to crush the independence movement or to negotiate a political solution to the conflict, has shattered Mr Yeltsin's chances of re-election in June.

As a result, the West must brace itself for a Communist to take his place in the Kremlin. Opinion polls indicate that Russian voters will back Gennady Zyuganov, a lifelong Communist who opposes economic liberalisation in Russia and has called for a peaceful re-establishment of the former Soviet Union. The disastrous campaign in Chechnya – where 25,000 people have already lost their lives – is the final straw for most Russians already bitter about economic reform which, in the short run, has produced only pain.

All this is making Western governments feel worried. Leaders ranging from Helmut Kohl to Bill Clinton have made clear their preference for Mr Yeltsin, for all his faults and ill-health, over the best chance of internal stability, reform and peaceful coexistence with the West. Only last week, the German and French governments announced a \$3bn loan to the Russians, on top of the \$10bn three-year

loan negotiated with the International Monetary Fund.

But the West should not be so concerned about the result of the election. For Mr Yeltsin no longer offers as much as he once promised – the brute force with which he has tackled the Chechen conflict has undermined his democratic credentials.

More important, Mr Zyuganov, his likely successor, is far less of a threat than appearances might suggest. For all his talk of resurrecting the Soviet Union, he is committed, at least publicly, to using only peaceful means. And a Russian army which cannot establish control even of Chechnya is in no position to realise territorial ambitions in, for example, Ukraine.

As for Mr Zyuganov's economic programme, it is equally unrealistic. Most people may be fed up with privatisation and giving market forces a free rein, but there is no alternative. Most state enterprises have already been sold, creating a powerful class of entrepreneurs and managers who would fight a policy reversal. Nationalisation would also be expensive, beyond the means of the Russian government, which would have to sacrifice its access to the IMF loans if it broke undertakings to limit state spending.

In short, Mr Zyuganov's rhetoric appeals to the nostalgia of an angry and disaffected electorate. But his room for manoeuvre is limited. If he is not to plunge Russia into bankruptcy and international isolation, Russia is indeed entering a period of political uncertainty. But the West would be wise to stay calm as Mr Yeltsin, its once great hope, faces defeat.



## LETTERS TO THE EDITOR

### How to prevent emergency patients being turned away

Sir: The shortage of intensive care beds has been highlighted by the sad tales of cancelled major operations, turning away of precious donor organs and the shunting of a dying child across the Pennines. (report, 6 March).

I was asked what would happen to 50 serious casualties from a bomb explosion on a bus outside our hospital. I am sure the staff would be galvanised into action and the "Dunkirk spirit" would suddenly appear. Extra beds would be put up, nurses with previous experience of critical care would step forward from different parts of the hospital and the word would get around to retired nurses at home in the area. Doctors would all pull together no matter their speciality and I expect the corps of administrators would drop their clipboards and help with bandages and the fetching of blood. Why can we not respond in a similar manner to small-scale emergencies?

I would suggest the following reasons: insufficient critical care beds; loss of highly-trained nurses due to the stress of continuous working in busy ICU wards; vested interest in maintaining boundaries around very highly specialised critical care units.

The first item requires money, but the other two need a change in nurse training, and, much more difficult, a shift in the attitude of some doctors and nurses. Critical care ranges from the very stressful intensive care of children, neurological cases and general medicine and surgery, to less demanding coronary care, recovery from routine surgery and high dependency. Usually each of the facilities is separate physically and even more so emotionally.

I propose the following: establish a multidisciplinary nurse training course covering all aspects of critical care; rotate nurses to the separate units to widen and maintain experience

and interest and relieve stress; ensure that when the most appropriate unit is full, the patient will be looked after in one of the other units, with staff capable of moving temporarily; maintain the high-quality specialist skills in each unit with a core of experienced nurses and doctors.

These measures would ensure that the doors of major hospitals would remain open. Serious operations would not be cancelled at the last moment, vital organs desperately needed would not be turned away and dying patients would not be sent long distances in search of a special bed.

Professor Sir ROY CALNE  
Department of Surgery,  
University of Cambridge  
Clinical School,  
Addenbrooke's Hospital,  
Cambridge.

Sir: Government ministers may be forgiven for thinking they have been here before. It was a

shortage of paediatric cardiac intensive care beds which provided the impetus for the NHS reforms. Do we now conclude that these reforms have been successful?

The failure of political will to address the two most important questions facing the NHS has led to the present situation. These are: how much do we want to spend on the NHS; and what do we want to spend it on? With an ageing population and medical advances, the demand for hi-tech medical interventions will continue growing. But it is better, for instance, to try to ensure the survival of a 25-week pre-term infant or to improve psychiatric services, at present in chaos?

It is unrealistic to expect local purchasers to resolve these conundrums. Rather it depends on honesty and open debate from national politicians.

Dr J R D LAYCOCK  
Southampton.

### FO's help in baby trial

Sir: Daniel Jeffreys ("The lessons of Caroline's tragedy", 6 March) makes a distinction between the actions of our New York Consulate – "exemplary, giving genuine and effective help" – and the Foreign Office who "barely lifted a finger".

The New York Consulate General gets its instructions from the Foreign Office. It got them in the tragic case of Caroline Beale, as her lawyer generously and publicly acknowledged. Consular staff were by her side throughout from her first to her final court appearance.

It is disingenuous to suggest that with more official help, she might have avoided the need to plead guilty. In countries with democratically elected authorities such matters are for the courts and the lawyers, not governments. It would be a bad day for justice if governments meddled whenever one of their citizens appeared before foreign courts.

Our policy is clear and has remained unchanged since Palmerston. If we have good evidence of a miscarriage or denial of justice we will intervene at whatever level is necessary to protect a British national. But in all other cases, and whatever our sympathies, it is for the courts to determine the outcome, as they have for Caroline Beale. We are glad she can now come home.

JEREMY HANLEY MP  
Minister of State  
Foreign and  
Commonwealth Office  
London SW1

Sir: Well done Daniel Jeffreys for highlighting the treatment endured by Caroline Beale at the hands of the American judicial system. It defies belief how any nation claiming to be civilised can ignore the plight of a woman so clearly severely mentally ill and put her through a murder trial. The main reason appears to have been to satisfy those who argue that whites enjoy a higher standard of justice in the US than States than do non-whites. How can New York's judiciary justify using a British citizen as a pawn in American racial politics?

OWEN MORGAN  
Malvern, Worcestershire

### Bags of room

Sir: Unless reductions in funding for the Army are more severe than when I went on leave a week ago, the fears expressed by D Beby (Letters, 7 March) that his grandson might be required to share a sleeping bag with a straight or gay soldier are not well founded. Every soldier is supplied with a sleeping bag, and long will this continue.

Your readers might recall comparable misplaced alarm expressed by a worthy Victorian on reading in a military cemetery, the grave-stone inscription *Here Lies an Officer and a Gentleman*. "What are things coming to! They are now burying them two to a grave."

MGR S H LOUDEN VG  
Principal Chaplain (Army)  
Farnborough, Hampshire

### Royal blood

Sir: Has it occurred to republicans that to be acceptable to the UK as a whole a president needs to have some Scottish, Welsh and Northern Irish blood, as well as claiming to be English? Prince Charles would seem to fit the bill.

BARBARA MUIR  
Blakeney, Norfolk

### Flexible labour or cheap labour?

Sir: Your report "Flexible jobs seen as future face of labour" (8 March) suggests that in ten years' time half the workforce will be working "flexibly", that is on short term contracts, self-employed or part-time.

One great advantage to employers is that part-timers' pay is lower than full-timers, and since most part-timers are women, the labour force is even cheaper. In Great Britain, part-time women workers' pay is only 75 per cent of full-time women workers, and only 58 per cent of male full-timers. We will see a vast increase in the pool of cheap labour.

LOIS STEWART  
International Confederation of  
Free Trade Unions  
Brussels

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

### Repairing holes in the ozone layer

Sir: Your report (8 March) that an ozone hole is threatening Britain signals a need for politicians to reverse their present assumptions about what industry is allowed to do.

In the coming months a new pollution story on the scale of loss of the ozone layer is likely to "break". This is the threat from "hormone pollution" – a threat to the continued quality of life for future generations (sexual health, fertility and so on) for the human race, as well as for much wildlife. Already the chemical industry is lining up to "rubish" an important forthcoming book on the threat of pollutants which are "hormone mimics" (*Our Stolen Future* by Dr Theo Colburn) and is arranging a hue and cry among researchers to look for a single cause and effect to "explain" the problem. This is an impossible quest, as it is clear that many human-made chemicals have an effect in degrading sexual development and fertility.

The lesson is not to be surprised by the threat from pollutants that destroy the ozone layer, or disrupt hormones. The system has been to allow the use of chemicals so long as there were no known proven problems. Neither John Major nor, judging from his recent "environment" speech at the Royal Society, Tony Blair, has any intention of reversing this presumption. It must be reversed: only those chemicals which are proved to be safe should be allowable.

CHRIS ROSE  
Campaign Programme and  
Communications Director  
Greenpeace UK  
London N1

Sir: The Montreal Protocol on ozone-destroying chemicals was held up as a shining example of how to tackle global environmental crises, yet health is still threatened by low ozone levels. Clearly we need far tougher measures to counteract ecological vandalism.

CHAS BOOTH  
Edinburgh

### A-level standards must be equal

Sir: The suggestion that it does not matter if grades in one subject at A-level are at a different standard from grades in another (letter, 8 March) is indefensible.

The idea that all university entrance tutors are aware of the differences between subjects and make offers which compensate is not borne out by our experience. It is true that offers to candidates for courses in universities which depend on abilities in mathematics and physics are lower than for many arts courses. However, students who are studying these "hard" subjects before applying for courses in law, medicine, accountancy and other high-demand courses are seldom given concessionary offers. Their offers are usually the same as those for students taking art courses.

V S ANTHONY  
Secretary  
Headmasters' and  
Headmistresses' Conference  
Leicester

### Tories fail to take on rogue landlords

Sir: Your otherwise accurate report of Labour's Housing Conference (6 March) contained one error in respect of leasehold reform.

It is not true that the "right to manage", which Labour advocates, is already in the Housing Bill going through Parliament. Although it is widely recognised by leaseholders as the most effective remedy against rogue landlords, the Government has refused to legislate for a "right to manage".

This refusal is all the more curious given their introduction of a "right to manage" for council tenants. The only explanation

for denying leaseholders similar rights is the Tory Party's unwillingness to challenge the big landowners. This reluctance to take on powerful vested interests explains the failure of all their previous leasehold reform proposals. It would be tragic if once again the protection of leaseholders were subordinated to the Tory Party's self-interest.

Labour will be seeking to amend the Housing Bill to incorporate the "right to manage".

NICK RAYNSFORD MP  
(Greenwich, Lab)  
London SW1

### Only human

Sir: Richard Dawkins (letter, 8 March) should not attribute suicidal violence by Hamas bombers to religious teaching. As a biologist he must know that there is plenty of evidence of the reckless behaviour of males in many species.

The Prophet of Islam instructed his followers not to attack women or children, not to fight non-combatants and not to kill with fire, "the punishment reserved to God". If some Muslims have found pretexts to go against these instructions, it is as human beings and not as Muslims.

P J STEWART  
Oxford

### Don't bet on it

Sir: If the possibility of a reduction in the £10 prizes for three winning lottery numbers is indeed as "very remote" as Camelot states (report, 7 March), then the chance of Camelot having to pay out some extra money is equally remote. They are in the gambling business, the heart of which is that you win some and you lose some. The skill is to set the odds so that you make a reasonable return in the long run.

It is not gambling when the book is so arranged that it cannot ever lose on a transaction.

JOHN S JONES  
Lytham, Lancashire

## Living in fear of Michael Howard

My mailbox is full of letters from people desperate to know what they should do if they meet Michael Howard unexpectedly. Should they have a go? Should they notify the authorities? Or just ignore him?

To take just one example, I have received a letter from one old lady living in south London who says to me: "These days I am absolutely terrified to go out in the streets in case I should be approached by the Home Secretary, or someone looking like him. I feel I would be in danger of my life."

"I can't quite pin down my worries, but don't you think there is something a little terrifying about that smile? Something just a little manic?"

"I would be worried stiff that he might ask me some question that I couldn't answer to his satisfaction, and that he would go berserk and do something unpredictable, or even worse become very oily and smug and do something entirely predictable."

"Of course, I do take elementary precautions. Each time I go out I make sure I have left all my money and valuables behind and I never talk to strangers and I don't take sweets from politicians and when



MILES KINGTON

people talk to me, I say demurely, 'Please don't talk to me because I am a little old lady and easily frightened, and if you lay a finger on me I will scream blue murder, also I am well armed and will drill you full of holes till the life juices run out on the floor,' and generally this works well enough, as people tend to avoid me after that, but I am not sure if this would work on the Home Secretary, who seems to be a peculiarly persistent sort of gentleman.

"I mean, he goes on with ideas long after everyone else in the world has given them up, so he is clearly not amenable to rational argument, and I expect he still thinks that prison works, even though nobody else thinks that prison does very much for anyone, it is obvious to anyone with the meanest intelligence that nine-tenths of the British prison population shouldn't even

be in prison, but maybe Michael Howard doesn't have the meanest intelligence, that would certainly explain a lot.

"What I am driving at is, if I were approached by Michael Howard in the street, should I try to keep him talking until help arrived, or should I pretend I didn't understand him and hurry on?"

I can see risks in both approaches. If I tried to keep him talking I might not be able to resist clouting him with my handbag at some of the twaddle he talks. If, on the other hand, I pretended not to understand him, he might think I was an immigrant of some kind, and try to have me deported on the spot, and then I might clout him with my handbag and be in trouble again.

"I take great comfort in knowing that I am not alone in this. My cousin Agnes agrees with me. So does my nephew Bob. So do most of the judges on England, apparently, as not a week goes past without one or other of them standing up in court and saying that Michael Howard holds crazy ideas."

Of course, they don't say straight out that Michael Howard is crazy, because he might do something really out of order then, like sue them all for libel, but reading

between the lines that is what they are saying.

"In other words, we are in a situation where half my family and a lot of judges and most of the media and all the opposition are saying that Michael Howard is a menace, so you can understand why a little old lady like me is afraid to roam the streets when he is still at large, and why I am turning to you for help now."

I have written to the Ombudsman asking for advice but he is no good, all I said was, "Dear Ombudsman, What should I do if I meet Michael Howard in the street?" and he wrote back and said, "Dear Madam, I only deal with specific complaints so this is out of my ambit, however if you hump into Michael Howard between you and me I would go for the goodies and break his glasses as he bends over in pain, yours sincerely, and what kind of advice is that to get from the Ombudsman? Well, quite good, actually, but I would like to hear your thoughts on this as well."

Well, Mrs Peters, I have been in the writing game too long not to recognise a leg pull when I see it. Your letter is a complete sham, and I wouldn't have even printed it in my column if I had had time to write something of my own.

مكتبة الأمل



## comment

## The price of health and the doctor's dilemma

The rationing of the drug Betaferon – random, arbitrary and byzantine – stands as a paradigm of the modern NHS

At last we have the first effective drug specifically for multiple sclerosis. Betaferon arrives as a blessing, you might think. But not for the National Health Service. The story of this drug stands as a paradigm of the increasingly byzantine ways of the NHS. This is an everyday tale of rationing – random, arbitrary and anything but rational.

First, to sinking hearts inside the Department of Health, the drug got its licence in December, certifying that it was effective for the 10,000 people who have the relapsing-remitting form of the disease. On average, these patients suffer perhaps two or three attacks a year which can be terrifying, agonising and incapacitating. An attack lasts an average of two weeks, after which the disease retreats again, though not completely. Betaferon can reduce the number of attacks by one third. However, its makers stress that it is not a cure, nor does it delay the creeping onset of disability.

Julia Chapel is a typical patient. She fears she is losing her eyesight and finds she uses her wheelchair more often, as each attack leaves her worse than she was before. Her neurologist from Sheffield called her in to offer her Betaferon, though she had not asked for it. But when she arrived at the clinic to start the treatment, he apologised, saying he had been rather naïve and there was no money after all. Now she is campaigning vigorously in her local MS group. Just in our group in Barnsley there are about 50 patients who would benefit. The health authority says it will spend £50,000

on the drug next financial year, but that's only enough for five of us," she says. "Who is going to decide who gets it?"

It costs roughly £10,000 a year per patient – £100m to give it to all those who might benefit. MS patients' organisations were well prepared in advance for a battle to ensure they got it. As a result of their vociferous demands, as soon as it was licensed the NHS executive sent out guidelines to every health authority telling them to prescribe it, though only through hospital neurologists – a sensible proviso, since GPs would have little way of knowing which patients would benefit.

What has actually happened? The guidelines have been widely ignored by many health authorities. In Scotland, the Department of Health has announced that none of its 25 neurologists may prescribe it except in limited trials. All over the country the MS Society has reports that patients are being refused the drug, despite the express wish of their neurologists to prescribe it.

Take Nottingham as an example. It refused to allow its neurologists to prescribe it on cost grounds. Professor Lance Blumhardt was incensed. "I've got 80 to 100 patients lined up for whom it would stop some of the most severe attacks, but I haven't got the money," he says. "This hospital has a £12m deficit."

The row that followed led the Nottingham Health Authority to a bold decision to hold a public meeting to try to explain to patients and their doctors why they could not have the drug. Dr Sarah Wilson, the local director of public health who makes the key purchasing decisions, was one of the administrators who talked to them in the language of priorities. Betaferon for all suitable patients would cost Nottingham £4.5m. "The £10,000 cost for each MS patient would buy four hip operations, or 10 cataracts," she told them. "It would pay for most of a district nurse who would treat a great many people or it would pay for a lot of physiotherapy."

## The administrators talk to them in the language of priorities – not pain

The MS patients were, of course, unmoved as was the champion, Professor Blumhardt. Strong views were expressed and as a result the health authority went away and found some extra money.

However, it is far too little money for all Professor Blumhardt's patients. "It would be enough for about 10 patients, I think," he says gloomily. "But how am I to choose

which ones should get it? In the United States they sometimes select patients by lottery. Why not?"

But the rationing problem is not even that simple. "They have given me some money to add to my budget, but it isn't ring-fenced. I wish they had ring-fenced it," he sighs heavily because that puts the rationing decision right back where he does not want it: in his hands. His neurology service is the worst in Western Europe, with only six neurologists for a 2.2 million population. He talks wearily of a long list of desperate needs – of badly treated epilepsy, dangerous aneurysms, a new drug for motor neurone disease, stroke patients in great distress.

So, what will he decide? Probably he will decide to spend the money elsewhere. Selecting a handful of MS sufferers does not seem "worth the candle" when other needs are yet more pressing. Yet he feels deep sympathy for his MS patients.

Is this a new and sudden rationing shock? Not really. The NHS has always rationed, but under the old system these things were discussed behind closed doors. Now the Patients' Charter mentality has been unleashed. All the talk of purchasing and cost has made patients well aware that everything has a price-tag. But is this really the right way to decide who gets what?

The minister passes the buck to the NHS executive, who smartly hands it on down to the health authorities. If they are quick-footed, they do what they did to Professor Blumhardt and push it on down to him. He is the one who has to eyeball his patients in

his clinic, so he can take the rap and carry the can. "Sorry, Mrs Smith, you just aren't in quite as much pain as Mr Brown next door." That sounds quite reasonable. After all, who better than he to judge between the needs of his own patients?

Except that as far as the individual patient is concerned, this random way of rationing means there is no longer a national health service at all. Instead, you have to choose where to live according to the illness you suffer: IVF, grommets, and the drug Epo for dialysis patients, are all key treatments only available according to local whim. Maybe towns should have big signs up: Welcome to Liverpool, Land of the Lung Transplant! Or Kidneyminister for Kidneys! Middlesbrough for Metabolics!

Doubts have been raised about how effective betaferon is – not least by the Consumers' Association's *Drug and Therapeutics Bulletin*. At its best, it is so far only a palliative drug. But that is beside the point. MS patients have had their expectations raised, only to be told they cannot have it. Perhaps the drug should not have been licensed. Or the NHS should have been bold enough to announce that no one would get it.

Who should do the rationing? The politicians – it is their job to set the policy and take the flak. Instead, at the very word "rationing" health ministers turn tail and hide under their desks. People increasingly understand that the NHS is cash-limited and cash-strapped, but they cannot understand or accept gross and arbitrary geographical inequalities in the treatment they get.

## Muslims are loyal citizens

ANOTHER VIEW

Zaki Badawi

It is open season on Muslims once more. Baroness Thatcher was yesterday warning in an apocalyptic speech about the dangers of "radical Islam". And Michael Howard, the Home Secretary, announced that the Government may tighten up laws to enable a clampdown on British Muslims alleged to be supporting the Palestinian extremists of Hamas.

As soon as a conflict arises involving Muslims anywhere in the world, however remote, British Muslims are named as the financiers if not the master plotters. But the suggestion that the Muslims of Britain could supply funds for military activities in the Middle East, the Caucasus, the Balkans and South Asia is laughable.

We are one of the poorest communities here and almost all our mosques, schools and welfare organisations are financed by our wealthy co-religionists in the oil-producing countries. The little spare cash that the British Muslims donate for outsiders is always marked for social and medical relief. Mr Howard acknowledged as much yesterday when he admitted that there was no evidence of money going from this country to Hamas.

The campaign to treat Muslim charities as suspicious will almost certainly strain the relationship between Muslims and Jews in this country and it will also heighten Muslim feelings of alienation.

I can well understand the anxieties of some Jewish leaders here about funds being supplied to sponsor the activities of the military wing of Hamas. But there is no evidence that this wing of Hamas has any active supporters in Britain. A national newspaper yesterday reported that a self-styled distinguished Muslim scholar said many Muslim organisations in Britain are collecting funds and recruiting British personnel for Hamas. This item of "news" was given considerable prominence. Yet there was no evidence to support any of his claims.

Why is a small vociferous minority more newsworthy than the majority of mainstream Muslims? These extremists arrogate themselves the right to speak for all Muslims, but they do not speak for the vast majority. Nor is there evidence that their fiery statements lead to violence; on the contrary, it is common for members of such groups to mature rapidly out of it and rejoin the mainstream.

Such people are a tiny minority. The danger is that if all Muslims are tarred with the same brush of condemnation, then moderate Muslims will be hampered in their capacity to mitigate the excesses of such extremism – and to mediate between such people and the mainstream community in a way which secular or Christian authorities would find more difficult. We are loyal citizens of Great Britain. Please treat us that way.

The author is Director of Studies at the Royal United Services Institute in London.

The author is principal of the Muslim College, London.

## Time for Mr Major to choose?

Lady Thatcher wants to polarise the issue of European defence but things are now more complex, argues Jonathan Eyal

Lady Thatcher's speech in Fulton, Missouri this weekend, marking the anniversary of Winston Churchill's "Iron Curtain" oration half a century ago is unlikely to be rated as a major contribution to a new world order. The Baroness's popularity on the rubber chicken circuit in North America is unassailable, but most of what she had to say was said before, and much of what she wants the West to do has already been done.

Predictably, Thatcher's harshest warnings were reserved for those seeking to establish a European defence identity: for her, the creation of such a structure can only supplant the United States and lead to disaster. Yet, even on this subject, Thatcher is out of tune with current reality: the British government's White Paper on Europe, scheduled to be published this week, will outline a stance towards European defence that is not very different from the former prime minister's vision. More importantly, the Labour Party has few differences with the Government on this score, and Britain is actually winning the defence argument in Europe.

For much of this decade Europe has been paralysed by an arid dispute chiefly between three countries. France argued that the continent must start providing for its own security to compensate for the inevitable withdrawal of the American military commitment. The British retorted that such measures could unravel the North Atlantic Treaty Organisation. And the Germans claimed that it was possible to square the circle by having both a strong European defence and a strong Nato with the Americans at the same time.

The outcome of this fight was the 1991 Maastricht arrangement which pledged EU members to a "common defence policy, which might in time lead to common defence". But at the same time, and largely at Britain's insistence, foreign and security policies were left outside the EU centralising activities; the Western European Union (WEU), an organisation which predates and remains separate from the EU, was tasked with co-ordinating the continent's military activities.

It is true that some, particularly



Looking both ways: Britain needs a defence policy that includes both Europe and the United States

the Germans, have pushed over the last few years for the creation of a European defence identity, complete with a central political command in Brussels. Much more will be heard of such proposals when the EU's Intergovernmental Conference begins in Italy later on this month.

But the experience of Yugoslavia and the sheer bureaucratic complexity of a European defence identity will mean that the result will ultimately be nothing more than an informal and *ad hoc* military arrangement between France, Germany and Britain (the serious military players on the continent) and the US which simply cannot be decoupled from Europe.

Those still pushing for an eventual European army like to claim that, as the débacle in Yugoslavia indicates, Europe will never be taken seriously unless it has the necessary military forces in order to impose its will.

Few arguments could be more misconceived. A European military structure, if it is to be taken seriously, will require a massive investment in airlift and naval capacities, satellites and intelligence-gathering

facilities. Far from increasing their defence expenditure, all European countries are reducing their budgets and the Germans have done most of the cutting.

Europe failed in Yugoslavia not because the EU was divided but precisely because the continent tried to speak with one voice and ended up with irrelevant policies. For the first six months of the Balkans war the EU tried to keep the country together without having the slightest idea how this could be done. The Balkan disaster is therefore a warning of just how flawed security policies run by consensus can actually be.

The idea that Europe must have the capability to act on its own is based on the assumption that the continent will be subjected to crises where the Europeans feel threatened but the Americans will somehow have no interest. But nobody has ever identified a realistic scenario where this would apply.

Russia, the Middle East, North Africa and the Baltic states are all potential flash points, yet in all of them the US has at least as big a strategic stake as the Europeans.

The European efforts in Yugoslavia collapsed because Europe failed to co-ordinate its actions at every step with Washington: a superpower such as the US simply cannot be absent from handling such a conflict.

Despite the cacophony of various proposals and the diplomatic noise which now surrounds the question of Europe's defence identity, a consensus is being created – and one which any British government could accept. The WEU cannot be incorporated into the European Union because the membership of the two institutions does not overlap: the EU has neutral countries which are incompatible with a military alliance.

The French have understood that there is no substitute for American military might, and President Chirac has practically abandoned the Gaullist policy of keeping a distance from NATO. Furthermore, everyone accepts that a senior figure should be appointed to represent the EU in future crises; as long as this person co-ordinates policies rather than negotiates security deals, even Britain should be happy.

But, most importantly, Britain

cannot be outvoted on security issues. While in monetary affairs it is possible to envisage a scheme from which Britain is absent, no coherent military structure is feasible without the British armed forces which are some of the most substantial on the continent.

In short, Europe's future security arrangement will be a compromise which maintains the freedom of states to act on their own, but also allows for joint action. The ultimate lesson of Yugoslavia is that if France, Britain, Germany and the US agree on a course of action, nearly everything is possible; if one of these states seriously disagrees, almost nothing can be done. No amount of bureaucratic "construction" from Brussels is likely to change this equation, if only because in defence matters military hardware speaks louder than any vision.

The debate about Europe's defences is now almost entirely fuelled by the extremes, people like Baroness Thatcher and Chancellor Kohl, two personalities who curiously complement each other. Kohl genuinely seems to believe that

unless Europe ultimately has a single army and government, his Germans – whom the Chancellor still regards as partly a nation and partly a disease – will be tempted to dominate Europe. And Thatcher assumes that without the Americans, the Europeans will not be able to run their own bath.

The reality remains, however, that a common European security identity is a question of degrees. None other than Britain will need the EU in the years to come in order to put pressure on the Chinese to respect the treaty for Hong Kong's handover. And the US is one of the states most keen on the Europeans assuming a greater burden for their own defence.

The lady who only six years ago was calculating King Canute-style, how to prevent Germany's unification has no vision to offer for Europe's future. And the Chancellor who achieved Germany's unification is equally out of step. A European defence identity is being created, but it will be one flexible enough to accommodate the varieties of the continent, and one doomed to include the Americans for many years to come.

The author is Director of Studies at the Royal United Services Institute in London.

The author is principal of the Muslim College, London.

## How to make England's cricketers match fit

Cricket creates more debate, more contention and more ideas than most other sports. It also creates more experts, most of whom are never more anxious to air their views than when the national side is going through a rough time, such as it is today, after being knocked out of the World Cup by Sri Lanka on Saturday.

For years, administrators have been searching for the "ultimate" system to remedy the problems of English cricket. The majority of these experiments were made in the interests of bringing back spectators to the first class game and, latterly, to improve England's chances against international competition.

There was a time when changes seemed to happen every year: bonus points, overs in a day, seams on the ball, limitation on overseas players...

Now the cry is that the County Championship is a poor competition; that there are too many teams; and that to motivate players whose teams are out of the running, there should be two divisions with promotion and relegation. My belief, however, is that whatever system is

employed to keep the cricket "cottage industry" alive, it is the people within the system who should examine their contribution.

Every cricketer wants to play first class cricket, and joins a county side not to make a fortune but because he loves the game. What destroys that initial enthusiasm? Lack of opportunity? Lack of skill? Negativity by his employers and/or coaches? Probably a combination of these, and some more. The system may contribute, but where is the pride and guts, the British bulldog spirit?

Whatever system the sport comes up with, players, coaches and administrators should make plans to deal with it. For example, if the season is demanding physically and mentally, fitness training must start earlier. Players should be paid to attend these sessions. Skills training should start at least two months before the season is scheduled to begin. Players should be schooled technically to deal with all the different aspects of the game. Batting practices, for example, should concentrate more on remedial work for an individual player's deficiencies. Bowlers should

After another international sports failure, Bob Woolmer looks at what's needed to compete with the best

not complain about a two-hour net session but should be fit enough to be able to practise their skills to a high degree.

One of the perceived problems in English cricket is the lack of quality bowlers. What do they mean by quality? Trueman and Statham, Willis and Botham had two great advantages: apart from being quick they were able both to move the ball and bowl accurately. One of the reasons England has not had recent success overseas may be that its bowlers lack the necessary accuracy for sustained periods, thereby relinquishing pressure on the opposition.

Why does England's batting capitulate, especially with such good players? Is it through fear of failure? Communication after failure is almost non-existent: if a player who is important to the side loses form, he gets dropped, but who helps him to recover? Encouragement does not seem to be the watchword of the county scene. And if a player continues to fail, he must go to the second XI and work hard to challenge for his place.

The team's performance is vital but this can only be enhanced if the 11 players in the side are doing the best they can to make a contribution to the success of the team. Players should not think of their performance in isolation but must adapt themselves to the more demanding regime the sport now imposes. Properly prepared, fit and strong, the player should be able to cope with the demands he faces. What has to be guarded against is the player who performs once and then rests on his laurels for three to four weeks.

There is a danger that there are too many "hangers on" in the

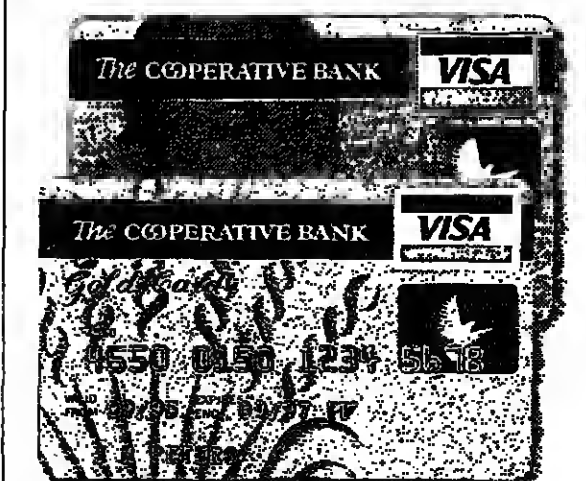
cricketing world. Hanging on desperately for a new contract by averaging just enough; and then waiting for a benefit or a new contract – all the while possibly keeping out the enthusiastic youngster. In fact, the benefit system is holding English cricket back. Benefits put a major block in front of young players trying to further their careers; they may prevent a player from moving counties to further his ambitions, and thereby creating a transfer system which would increase opportunity for everyone.

There is a lot of talent in England – a lot of good people working very hard to breed successful young players. Counties should not be scared to give them an opportunity. English cricket at present is reminiscent of an unkempt garden. Give it a good weeding and allow the talent to bloom. Enthusiasm will return when the players learn the difference between work and play.

The writer is a former England all-rounder and is now coach of the South African national team.

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## obituaries / gazette

## George Burns

George Burns was old for such a long time before his death that it became increasingly difficult to credit that he must once have been young. He also represented a unique case in the history of light entertainment in having smoothly, if in leisurely fashion, effected the transition from straight man to comic. In 1925, his technique refined by years on the vaudeville circuit (as a member of a children's singing quartet, exhibition roller-skater and stand-up comedian), he met and married Gracie Allen, a pert soubrette whose gamely long-suffering foil he would be for the next 30 years in Hollywood films, on radio and television.

To pigeonhole him without further qualification as the straight man of the team, however, is to underestimate his contribution to their success. To be sure, with her apparently inexhaustible fund of gnomish aphorisms and giddy non-sequiturs (she seems never to have uttered a straightforward sequitur in her entire professional life), it was on Gracie Allen's personality that the act was predicated. Yet, in view of the often contrived and mechanical surreality of her gobbledygook humour, one eventually found oneself wondering whether he might not actually be the funnier of the two. He was, aptly enough considering his surname, a virtuoso of the slow burn; and, arguably, it was less Gracie's scatterbrained solecisms than the wordless, deadpan bemusement of George's reactions to them, the expression on his face altering as subtly as a landscape traversed by the sun's shadow, that prompted one to laughter.

In their long-running television series, moreover, *The George Burns and Gracie Allen Show* (which the single-channel BBC broadcast four decades

ago, week after week, to a captive and captivated audience), there was nothing quite so reliably droll as his own first-person monologues - with, as sole props, the cigar which had become his trademark, a hefty Havana whose glowing tip he would pensively inspect before launching into a series of anecdotes, and the (for the period) novel and magical ripple of canned laughter on the soundtrack. And even if it feels a very, very long time ago, no devotee of the series will have forgotten his laconic envoi "Say goodnight, Gracie" when his befuddled spouse had perpetrated an especially egregious pun.

Although the essentially theatrical nature of their partnership might have struck one as resisting easy integration into the conventional linear and illusionistic structures of mainstream Hollywood cinema, Burns and Allen appeared in a score of films during the Thirties and Forties. The most notable of these were the W.C. Fields comedy *International House* (1933), the extended desert-island joke *We're Not Dressing* (1934), and a delightful little-known Fred Astaire musical, *A Damsel in Distress* (1937), based loosely and somewhat incongruously on one of P.G. Wodehouse's Blandings Castle novels.

Following Allen's last film, *Two Girls and a Sailor*, a pleasant, minor MGM musical of 1944, they redirected their attention exclusively to radio and television. It was not until 30 years later that the now widowed Burns (Gracie had died in 1964) returned to the cinema, enjoying a personal triumph as an old show-business trouper reunited for a vaudeville performance with his erstwhile partner, the curmudgeonly Walter Matthau in the 1975 film version of Neil Simon's Broadway hit *The Sun-*

shine Boys. Two years later, he took the title role in *Oh, God!*, playing the droll as a tartan-capped, white-sneaked, wisecracking coddler, the most senior of senior citizens. And, no doubt encouraged by the conviction he brought to this role, he was sufficiently confident of his own immortality to sign an exclusive contract with Caesar's Palace in Las Vegas for a series of personal appearances this year, in the very week of his centenary.

Because of his physical frailty that, alas, was not to be. But now he will at least have been granted the privilege of comparing his impersonation of the Almighty with the original model. Say goodnight, George.

Gilbert Adair

The first time Burns and Allen appeared together in vaudeville, Gracie was the "straight man" and George was the comedian, writes Dick Vosburgh. "The audience laughed at her questions instead of my answers," he remembered. "So from then on, I gave her all the jokes. I was never a jerk. I wanted to keep on smoking good cigars."

Certainly George Burns was no jerk. For 36 years he made every decision concerning the team's career and finances. It was George who persuaded Gracie to accept a Hollywood film contract. It was he who masterminded the famous radio publicity stunts: Gracie breaking into shows, asking for information about her "missing" brother... an equally ubiquitous Gracie urging listeners on all networks to vote for her in the 1940 presidential election. (She even received several thousand write-in votes.)

Despite such gimmicks, Burns and Allen's radio ratings dipped dramatically in 1942. Burns analysed the decline: although they were widely known as a middle-aged married couple with children, they were still playing Boyfriend and Girlfriend. When they returned to the air, their roles were Husband and Wife, and the ratings soared again; soon they were attracting a weekly 45 million listeners. Said Burns: "We were the only couple in radio history to get married because we had to."

In 1950 he talked Gracie into trying television. Theirs was the first sitcom in which a story developed from week to week. Also unique was the way Burns stepped out of the plot to speak directly to the audience after watching the ac-



Burns: "rehearsed right down to the last puff of the cigar"

Photograph: David Guilbert / Onyx

tion on his own secret television set. "I guess I invented closed-circuit TV," he bragged. His weekly monologues - studded with well-honed one-liners - revealed, at long last, George Burns, the consummate comedian.

When Angela forced Gracie to retire in 1958 (*The George Burns and Gracie Allen Show* was then television's longest-running sitcom), her husband produced and starred in *The George Burns Show*, in which he played a frequently harassed producer called George Burns. The series had a solid supporting cast, famous guest stars and a fresh, lively script, but only lasted one season. Burns later wrote: "The show had everything it needed to be successful except Gracie."

He put together a night-club act. Supported by a singer called Bobby Darin, he first played *Harrah's* in Lake Tahoe, an engagement which led to many more appearances on the club circuit. Next he formed a very successful double act, in which he and Carol Channing performed old George and Gracie routines. "He rehearsed right down to the last puff

of the cigar," said Channing. Burns put the same attention to detail into McCadden, his television production company. In addition to *The George Burns and Gracie Allen Show* and *The George Burns Show*, McCadden produced *The People's Choice* (1955-58), in which Jackie Cooper played a small-town mayor who owned a talking best-bound, and *Mr Ed* (1961-66), in which Alan Young played a suburbanite who owned a talking horse. Other McCadden productions included *The Bob Cummings Show*, *Panic, No Time for Sergeants* and *Wendy and Me* (1964), which co-starred Connie Stevens as a dizzy young housewife and Burns as an ex-vaudevillian who owned the building where she lived. Two weeks before the series reached the air, Gracie died.

Devastated by her death, Burns plunged more furiously than ever into work; he produced television series for NBC and ABC-TV, lectured at universities, made television guest appearances, developed new night-club acts and wrote books before becoming, at the age of 79, a genuine movie star. "Al Lewis," his Oscar-winning role

in *The Sunshine Boys*, originally had been slated for Jack Benny, his closest friend, who died shortly before the film began production.

In his book *Gracie - A Love Story* (1988) Burns revealed that Gracie was his second wife: in his early vaudeville days he formed a dancing act with an exotic-looking brunette named Hannah Siegel, whom he rechristened Fernessa Jose, after his favourite cigar. When the act was booked for a 26-week tour, Hannah's parents refused to allow her to travel the country with George unless he married her. The marriage lasted 26 weeks.

Once a month George visited Gracie's grave and spoke to her at length. "I don't know if she hears me, but I've got nothing to lose," he said. "And it gives me a chance to break in new material."

Nathan Birnbaum (*George Burns*), comedian, writer, producer: born New York City 20 January 1896; married first Hannah Siegel (marriage dissolved), 1926; Grace Allen (died 1964; one son, one daughter); died Los Angeles 9 March 1996.

## Giovanni Pontiero

Giovanni Pontiero was the ablest translator of 20th-century literature in Portuguese and one of its most ardent advocates.

He will be identified with two writers above all (though he was responsible for the first English versions of many others): the idiosyncratic Ukrainian-born Brazilian Clarice Lispector, six of whose novels he translated, as well as a number of her shorter pieces, and of whom he had planned to begin a literary biography this year; and, more recently, the celebrated Portuguese writer Jose Saramago. He produced English versions of five novels by him, and the libretto of an opera based on his English text of *Balthazar* and *Bilumanda*. His versions of Saramago brought him the Independent Foreign Fiction Award in 1993, the American Translators' Award in 1994, and the Portuguese government's Teixeira-Gomes Translations Award, besides a nomination for the prestigious Ariston Award of the EC.

Born in Glasgow in 1932 to parents of Italian immigrant stock, Pontiero spent some time as a seminarist at the Gregorian in Rome before going up to Glasgow University in the late 1950s to read Italian, Spanish and Latin-American studies under Professor W.C. Atkinson.

Immediately on graduating in 1960 he set out for Brazil, a decision which was to shape his academic and personal life. The same year he was appointed Head of English Studies at the University of Paraíba, and the two years he spent working there, and also as Director of Studies at the English Cultural Institute in Joao Pessoa, gave him a taste for cosmopolitan culture of which he was to invent a strain that was all his own.

He returned to Britain in 1962 to take up a newly created post at Manchester University as Assistant Lecturer (later to be promoted Lecturer, Senior Lecturer and, in 1986, Reader) in Latin-American Studies. Apart from a spell of four years at Liverpool University and two tours of duty as Visiting Lecturer in Vermont, he was to spend the rest of his life in Manchester, retiring because of ill-health only in June last year.

Pontiero wrote a number of monographs, most notably (in homage to his own origins and his lifelong love of opera and theatre) his scholarly *Eleanora Duse: In Life and Art* (1986). He also edited Spanish and Portuguese texts for university presses and commercial pub-

lishers, providing informed introductions to the work of, among others, Carlos Nejar, Florencio Sanchez, Drummond de Andrade, and Manuel Bandeira (on whom he also produced a major monograph). His edition of Garcia Marquez's *El coronel no tiene quien le escriba* continues to be many a sixth-former's first taste of the literature of Latin America.

He also did much of the staff work which characterises the professional life of the university academic, helping out as external examiner both in the UK and abroad, producing anthologies of contemporary writing, compiling entries for encyclopaedias, acting as literary consultant and reader for several British and American publishing houses and, in the mid-1960s (when specialists in what has become a huge growth area were still few), writing the Spanish-American and Brazilian sections of *The Years' Work in Modern Language Studies*.

But it is as a teacher and as a translator that he will be best remembered. His ability to inspire a love of his subject in undergraduate students and his many unsung acts of kindness did much to foster a warm family atmosphere in his university department, and his hospitality at his home in Didsbury

was legendary. "My tastes are simple," he would say, "Nothing but the best."

Pontiero fell ill at the height of his powers as a translator and at a time when the international recognition that was his due was finally coming his way. Despite his debilitating illness, he managed to complete his versions of two of Saramago's works, *The Siege of Lisbon* and *An Essay on Blindness*, both of which will be published posthumously.

Nigel Griffin

Giovanni Pontiero, scholar and translator: born Glasgow 10 February 1932; died Manchester 10 February 1996.



George Burns and Gracie Allen: "the only couple in radio history to get married because we had to"

Photograph: Hulton Deutsch

## Lord Avonside

Ian Shearer (later Lord Avonside) was one of the great advocates of this century.

To be his junior, especially before the appellate committee of the House of Lords, was a stimulating experience, and to appear against him called for every ounce of one's resolution. As a judge he would accept nothing less than the highest standards of counsel and he brought out the best in most of them. No tolerance was shown for slipshod or ill-prepared work, and his somewhat forbidding manner commanded universal respect and, in some of those who appeared before him, even a degree of fear. For good counsel, however, an appearance before him was always an exciting pleasure and no judge could have been more helpful to the presentation of a well-argued case.

He was born in 1914, and educated at Dunfermline High School, at Glasgow University (MA 1934) and Edinburgh University (LLB 1937). In 1938 he was admitted to the Faculty of Advocates. His intellect was amply demonstrated at school and university and he began his life at the Bar with the additional huge advantages of a clear-headed passion for accuracy and precision, a powerful personality and the great gift of

presence. It is not surprising that his quality was recognised by the legal profession even in the short time before the beginning of the Second World War. At the outbreak of war he at once joined the Army, serving in the Royal Artillery until 1946. He became a major and was heavily involved in the long siege of Malta.

On his return to practice he made his mark again at once, and was mainly engaged for the rest of his life as an advocate in heavy and important civil litigations, including prominent revenue and valuation cases, and in the early 1970s the *Burmah Oil* case. He appeared for the Duke of Argyll in the opening stages of the sensational divorce case which lasted from 1959 to 1963. As a junior counsel he held many appointments, the most prestigious of which was Standing Counsel to the Inland Revenue. In 1952 he took silk and in 1960 he became the Sheriff of Renfrew and Argyll.

The pressures of his professional life, however, did not prevent him from finding time to sit on a number of important committees including the Scottish Committee of the Council on Tribunals from 1958 until 1962, when he was appointed Lord Advocate in the Conser-

vative administration. This was a remarkable and inspired appointment because he had not been involved in party politics and he made a splendid contribution to that great office of state without having a seat in Parliament. It was not until much later that it became the practice to confer upon the Lord Advocate a seat in the House of Lords. There is no doubt that in Scotland his most visible impact was made in his running of the Crown Office and criminal prosecutions, with his characteristic demand for very high standards.

In 1964 he took his seat on the Bench as Lord Avonside



Avonside: dominant personality Photograph: Walter Bird / NPG

and until he retired in 1984 he gave outstanding service to his country and the law of Scotland in the Outer and Inner Houses and as Chairman of the Valuation Appeal Court. He did so with great ability even after his health deteriorated in the early Seventies and in spite of a succession of serious accidents in which he broke most of the important bones of his body.

This brief synopsis of his professional and public career barely hints at the kind of man Ian Shearer was. His build was formidable and commanding and his dominant personality was evident in everything he did, as an advocate of consummate skill. He had little patience with fools and did not attempt to conceal his opinion, but to his friends, and they were many, the warmth and kindness of Ian Shearer, his companionship and hospitality were their rich rewards. He was wonderful with children, particularly if they seemed bright.

His garden was one of his many passions and he dearly loved his roses. Exotic cats and finches fascinated him and he had a deep interest in wild mammals and the countryside. Until his various accidents steadily robbed him of full mobility he was a competent golfer and an excellent foursome part-

ner - a great competitor. The greatest loves of his life were, however, his wife Janet whom he married in 1954 and Alistair and Ann, his son and daughter. To Janet he was devoted, and that he survived all his physical troubles for as long as he did without losing his enjoyment of life, was undoubtedly because of her and her love for him.

Eassie

Ian Hamilton Shearer, judge: born 6 November 1914; Standing Counsel to Customs and Excise; Board of Trade and Ministry of Labour 1947-49; to Inland Revenue 1949-51; to City of Edinburgh Assessor 1949-51; Junior Legal Assessor to City of Edinburgh 1951; QC 1952; Chairman, National Health Service Tribunal, Scotland 1954-62; member, Scottish Committee of Council on Tribunals 1958-62; Sheriff of Renfrew and Argyll 1960-62; Lord Advocate 1962-64; PC 1964; Senator of the College of Justice in Scotland (as Lord Avonside) 1964-84; Chairman, Scottish Valuation Advisory Council 1965-68; member, Scottish Universities Committee of the Privy Council 1971-96; Chairman, Lands Valuation Court 1975-84; married 1942 (one son, one daughter; marriage dissolved); 1954 Janet Murray; died 22 February 1996.

## Rabbi Pinchas Menachem Alter

Three years ago Rabbi Pinchas Menachem Alter visited London for the dedication of the new Gur Talmudical college, in Lampard Grove, Stamford Hill. This marks an extraordinary revival of the Hasidic Gur sect, which was all but wiped out in the Second World War, when over 90 per cent of its 150,000 followers perished in the Holocaust. For this revival, much of the credit must go to Rabbi Abraham Mordecai (one of the few Hasidic rabbis to escape Nazi Europe) and his sons, Rabbis Israel, Simcha Bunem and Pinchas Menachem.

The most powerful Hasidic "dynasty" of the inter-war years in Poland was that of the Rabbi of Gur or Ger (its Hebrew and Yiddish names; in Polish the town is called Gora Kalwaria). From the mid-19th century the Rabbi was really the "Emperor" of Hasidism, and Gur, near Warsaw, was the capital of his empire. Among his followers were outstanding Rabbinical scholars and leaders of Polish Jewry.

Pinchas Menachem Alter was born in Gur in 1923, the son of Rabbi Abraham Mordecai by his second wife Feige Minze (herself the daughter of Rabbi Jacob Meir Biderman). He miraculously escaped the Nazi inferno with his father and



Alter: Rabbinical scholar

brothers, and arrived in the Holy Land in 1940. He studied at the Talmudical college Hayye Olam Yeshiva in Jerusalem. In 1948 he married Zipporah, the granddaughter of Rabbi Moses Bezael Alter, and in the 1960s he became the principal of Jerusalem's Gur college, Yeshiva Sefat Emet. On the death of his brother Rabbi Simcha Bunem Alter in 1992 he became the Gur Rebbe, the head of the dynasty.

Since the war, the glory of Gur has been revived in Israel. The United Torah Institutions have grown into a network of 34 seminaries that spread from Hatzor and Haifa in the north

to Ashdod and Arad in the south. Over 7,000 students are currently being educated, from young children to senior boys in the Yeshivot and Kollelim (post-graduate colleges).

A very private person who shunned publicity, Rabbi Pinchas Menachem was a father to his followers. He was also a tremendous Rabbinical scholar and president of the Council of Torah Sages, a body of rabbis that guides the religious Agudat party, which has four or five MPs. He was against the peace process of the late Prime Minister Yitzhak Rabin and the present Prime Minister Shimon Peres, but he violently condemned Rabin's assassination. Before his death he was working hard to create a united religious front in the forthcoming elections in May.

The Rabbi's second son Saul is the head of the Sefat Emet Yeshiva. He or the Rabbi's nephew Jacob Alter (the son of the late Rabbi Simcha Bunem), will be his successor.

Harry Rabinowitz

Pinchas Menachem Alter: rabbi: born Gora Kalwaria, Poland 1923; leader, Gur Hasidic dynasty 1992-96; married 1948 (four sons, one daughter, and one son deceased); died Jerusalem 6 March 1996.

## Births, Marriages &amp; Deaths

## BIRTHS

COOMBE-TENNANT: On 4 March 1996, to Sue Tennant and Charles, a son, Toby Charles. A brother for Oliver.

## DEATHS

SACRE: James Kingston, on 6 March, at home, peacefully after a long battle with cancer. Treasured husband of Cathie, father of Emma, Richard, Christopher and Clare, and papa to Camilla. Funeral at St Oswald's Church, Castlebar, Barrow, on 15 March at 4pm. No flowers, but donations may be sent to Sanders, High St, London SW13, in aid of Trinity Hospice.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 3DL, telephoned on 0171-233 2011 or faxed to 0171-233 2010, and are charged at £6.50 a line (VAT extra).

## Birthdays

Mr Douglas Adams, author, 44; Mr Terence Alexander, actor, 73; Miss Agatha Barbara, former president of Malta, 73; Sir John Batten, former physician to the Queen, 72; Dr Alan Belts, Emeritus Professor, Royal Veterinary College, 69; Miss Louise Brough, tennis player, 73; Mr Michael Carris MP, 58; Sir Kenneth Dover, Chancellor, St Andrews University, 76; Mr Dennis Enright, actor, poet and critic, 76; Mr Peter Eyre, actor, 54; Mr David Gentleman, designer and painter, 66; Mr Jonathan Gesteira, chairman, Marlborough Rare Books, 36; Professor Thomas Gray, anaesthetist, 83; Miss Margaret Herbin, former government minister, 89; Viscount Hood, former chairman of Petrofina UK, 62; Mr Raymond Jackson, (Jack), cartoonist, 69; Lord Lawson of Blaby, former Chancellor of the Exchequer, 64; Sir Fitzroy Maclean Bt, diplomat, soldier and politician, 85; Sir Henry Marking, former deputy chairman and managing director, British Airways, 76; Mr Timothy Mason, director, Museum and Galleries Commission, 51; Mr Alan Montgomery, High Commissioner to Tanzania, 38; Air Marshal Sir Alec

Morris, engineering consultant, 70; Lord Mowbray, Seagrave and Slough, former deputy chief Opposition Whip in the House of Lords, 73; Mr Rupert Murdoch, newspaper proprietor, 65; Miss Erica O'Donnell, founder, Centre for the History of the Fine and Decorative Arts, 76; Sir Malcolm Pitt, a Lord Justice of Appeal, 38; Sir Keith Speed MP, 62; Sir Iain Tennant, former Lord Lieutenant of Morayshire, 70; Miss Patricia Tindale, architect, 70; Mr Ron Todd, former general secretary, TGWU, 69; Sir Peter Walters, chairman, Blue Circle Industries and SmithKline Beecham, 65; The Rt Rev John Wentt, Bishop of Tewkesbury, 52; Lord Wilford, former Lord of Appeal in Ordinary, 89; Mr Tony Wright MP, 48; Mr Alan Yarnoh, controller, BBC 1, 49.

## Anniversaries

Births: Torquato Tasso, poet and playwright, 1544; Prince Paul Anton von Glanville Esterhazy, diplomat, 1786; Louis Boulenger, painter and lithographer, 1807; Urbain Jean-Joseph Levertier, astronomer, 1811; Sir Henry Tate, sugar refiner and art collector, 1819; Carl Sprague, rugger, violinist and composer, 1876; Sir

Malcolm Campbell, speed record holder, 1885; Raoul Walsh, film director, 1892; Dorothy Gish (le Guiche), actress, 1898; Jessie Margaret Matthews, actress and dancer, 1907; Lord Wilson of Rievaulx (John Harold Wilson), statesman, 1916; Donato Bramante (d'Agnolo), architect, 1514; Hannah Cowley (Parkhouse), playwright and poet, 1809; Sir Alexander Mackenzie, explorer, 1820; Benjamin West, painter, 1829; Henry Drummond, theologian and explorer, 1857; Eric Stanley Gardner, lawyer, author and creator of "Perry Mason", 1970. On this day: Chelsea Hospital for old soldiers was founded, 1682; the first successful English daily newspaper, the single-sheet *Daily Courant*, was published near Fleet Street, London, 1702; the first performance of *Rigoletto* by Verdi was given in Venice, 1851; the Bradford reservoir, near Sheffield, burst its banks, and 250 people lost their lives, 1864; the first

telephone call was made by Alexander Graham Bell, 1876; the Playhouse Theatre, London, opened as the Royal Avenue Theatre, 1882; Baghdad was captured from the Turks by the British, 1917; the first London performance of the musical show *No, No, Nanette* was presented, London, 1925; the German Army marched into Austria, 1938; in the United States the Lease-Lend bill became law, 1941; Mount Etna, Sicily, erupted, 1974; Today is the Feast Day of St Aegina, St Benedict of Milan, St Constantine of Cornwall, St Eulogius of Cordova, St Oengus or Angus the Culdee, St Sophronius of Jerusalem, St Teresa Margareta Redi and St Vitandian; and it is also Commonwealth Day.

## Lectures

Victoria and Albert Museum: Sarah Scraggs, "Medieval Mediterranean Art", 2.30pm.

Tate Gallery: Boris Grotz, Thierry de Duve and Adrian Rifkin, "The Return of Beauty", 6.30pm. Exeter University: Professor Mark Overton, "Cows, Plagues and Capitalism: the development of English agriculture 1500-1850", 1.10pm.

## Luncheons

600 City of London Squadron Association. Mr Sydney Dowse was the guest of honour at a luncheon held on Saturday by the 600 City of London Squadron Association at the RAF Club, London W1, following the association's Annual General Meeting. Mr Ray Aveyard, President, was in the chair.

## Receptions

London Cornish Association. Lord St Levin, President, accompanied by Lady St Levin, was in the chair at the 110th Anniversary Dinner of the London Cornish Association held on Saturday evening at the Portman Hotel, London W1. Lady Mary Holborne, Lord Lieutenant of Cornwall, and Mrs R. Tregellas-Pope were the principal speakers.

## Institute of Physics

The following have been elected Fellows of the Institute of Physics: Professor Francis Allotey, Ghana Atomic Energy Commission, Ghana; Alan McNeill, Chesham, Bucks; Nicholas Pugh, Royal Society, Cheshire; Dr Alan Croom, Glasgow

University; Dr Richard Dendy, UKAEA Culham Laboratory, Abingdon, Oxfordshire; Mr Michael Fobley, Lowell University, Massachusetts; United States; Dr Brian Fulton, Birmingham University; Dr William Gillespie, Aberystwyth University; Dr Brian Jones, Cambridge University; Dr Stephen King, Southampton University; Dr Peter Knowles, GEC-Marconi Infra Red Ltd, Southampton; Professor Richard Palmer, Birmingham University; Dr John Rae, National Physical Laboratory, Teddington, Middlesex; Professor Peter Sherwood, Kansas State University, United States; Mr Jonathan Seiler, Baccus School, Woodford Green, Essex; Dr David Sykes, Loughborough University of Technology; Dr Michael Workley, GEC-Marconi Research Centre, Chesham, Essex.

## Wills

Mr Geris Buchanan Esq., of London SW15, the poet, chairman of the Poetry Society 1978-79, left estate valued at £63,957 net.

Mr Arthur Ernest Mallard (Arthur Mallard), of London N5, the actor, left estate valued at £255,626 net. After personal bequests of £10,000, he left the residue to the National Children's Home.

Mrs Patricia Coke, of Bentley, Hampshire, left estate valued at £8,037,530 net.

## ROYAL ENGAGEMENTS

The Queen, accompanied by the Duke of Edinburgh, attends the Commonwealth Day Observance at Westminster Abbey, London SW1, and accompanied by the Prince of Wales, attends the Commonwealth Day Reception at Marlborough House, London SW1. The Duke of Edinburgh, President, World Wide Fund for Nature - WWF International, Founder and Chairman, International Trusts of the Prince of Wales, attends the Prince's Trust conference "Towards the Millennium" at the Jarvis Piccadilly Hotel, Manchester, and visits the Manchester Velodrome. The National Cycling Centre, Clwyd, Manchester. The Princess Royal, President, the Princess Royal Trust for Carers, visits Rhymney Valley Carers Centre, Cynffwrdd, Mid Glamorgan; and as President of the Patron, Crime Commission, attends the Cardiff Side Cilia Project at Cardiff Castle and visits Wilton High School, Tremorfa, Cardiff. The Duke of Kent, Colonel-in-Chief, Royal Regiment of Fusiliers, visits 1st Battalion, Somerset Barracks, Caernarfon, North Wales.

## Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

فكرنا من الامم



## Markets braced for further slide on rate worries

DIANE COYLE  
London  
DAVID USBORNE  
New York

Financial markets are expected to plummet when they reopen this morning after Friday's dramatic decline on Wall Street, echoed in London before it closed for the weekend.

Analysts predict an opening drop of 50-100 points in the FTSE 100 index after Friday's 48-point fall to 3710.3. A further decline in the Dow Jones index, which fell 171 points to 5,470.43 on Friday, would take London even lower.

On Wall Street, analysts are braced for further losses on the stock and bond markets, though few expected Friday's mini-meltdown to develop into a full-blown crash. The worst anyone was predicting was a 10 per cent decline of the Dow Jones industrials by the end of the slide.

"The market has been so strong over the last year, a decline of 10 per cent should not be a surprise to anyone," noted Arnold Kaufman, editor of the Standard & Poor's *Outlook* newsletter. "I think this is the 10 per cent decline, but not the

end of the bull market. I think an investor should probably ride it out."

The Tokyo stock market is also likely to fall sharply. It is already overshadowed by concerns about whether the package to write off dud housing loans can be passed before the end of the financial year in two weeks' time. Japanese investors are also expected to sell dollars, according to Stephen Hannah, director of research at the Industrial Bank of Japan. He forecast that "the dollar will be in trouble" and this could knock out to the pound.

The sharp sell-off in shares at the end of last week, which followed figures showing a far bigger than expected increase in US jobs in February, reflected the view that hopes for lower interest rates have been overdone. With important economic statistics on both sides of the Atlantic due this week, the markets could be volatile.

Steven Bell, director of research at Deutsche Morgan Grenfell, said that the equity market was overvalued "because it has been assuming we will get the best of both worlds - strong profits growth and

lower interest rates. Now it is becoming clear that we will get one or the other."

Mark Cliffe, international economist at HSBC Markets, said: "Markets will be under a lot of pressure this week. People have gone back to the drawing board with their views about interest rates." The end of May was now the earliest opportunity for another move.

Figures on UK industrial output, unemployment and earnings this week, along with US inflation and production statistics, will provide crucial evidence about the strength of the British economy. If they suggest the slowdown in growth is coming to an end, following recent evidence that consumer spending and the housing market are picking up, hopes for any further reduction in the cost of borrowing will be dashed.

Some economists already think the Chancellor's decision last week to reduce base rates by a quarter point to 6 per cent was a cut too far. Mark Brown, head of strategy at the broker Hoare Govett, said: "Policy priorities have shifted towards getting the economy going rather than controlling inflation."



Jitters: anxious traders on Wall Street after the Dow-Jones index plummeted 171-points

Photograph: Reuters

tion." Futures markets signal that base rates are now expected to rise later this year.

One key figure this week will be underlying growth in average earnings, due on Wednesday. This has stuck at 3.25 per cent for six months despite an upward trend in pay settlements during

that time, and most analysts expect it to remain unchanged. However, a combination of higher settlements and higher financial sector bonuses this year could soon ratchet the figure up to 3.5 per cent.

The latest report from the independent researchers Incomes

Data Services comments: "When figures are published for February 1996 they will show that huge bonuses were being paid out in the City of London based on last year's trading."

New figures today from the Finance and Leasing Association reveal high demand for

both business finance and consumer borrowing. In January, demand for "big ticket" finance - for capital projects worth over £5m - was 64 per cent higher than a year earlier at £64m. For general business investment, demand was 29 per cent higher at £576m.

## MPs summon BZW chief in Stock Exchange sacking row

JOHN EISENHAMMER  
Financial Editor

The investigation into the turmoil at the London Stock Exchange will take a new turn with the decision by MPs to summon Donald Brydon, deputy chief executive of BZW - described by one MP as the "smoking gun" in the row over the sacking of the exchange. Alongside the recall of John Kemp-Welch, the exchange's chairman, the influential Treasury committee inquiry is set to turn into a public slanging match.

The moves mark a new determination among MPs to probe the inconsistencies in accounts of the controversial sacking at the beginning of this year of Michael Lawrence, as chief executive of the exchange.

"I think Mr Kemp-Welch has a lot of explaining to do. There are a lot of discrepancies about,

which have very serious regulatory implications," said Matthew Carrington, a Conservative member of the select committee.

During his recent evidence to the committee, Mr Lawrence accused Mr Brydon - a key figure with one of the City's most powerful market-making firms - of mounting a coup against him, in order to keep control over the exchange.

"We are very concerned about Mr Lawrence's accusations," Mr Carrington said. "If the Stock Exchange is run by a clique of market-makers who can block important decisions, then it is very worrying to have a regulator run by the people it is supposed to be regulating. We have to get to the bottom of this."

His concerns were echoed by Diane Abbott MP, one of the Labour members of the select

committee. "If we're looking for a smoking gun, it's BZW," she added.

The MPs' decision to call BZW coincides with growing tension inside the Stock Exchange's board, with several members expressing private frustration at Mr Brydon's perceived conflict of interests.

Mr Brydon is a member of the exchange board, and the key appointments sub-committee which fired Mr Lawrence, as well as the steering committee deciding on the proposed radical reform of the way shares are traded in London.

Mr Brydon and BZW are among the strongest opponents of the Stock Exchange executive's preference for switching from the City's traditional trading - dominated by the market-making firms - to the order-matching system common in most other financial centres.

During the recent consultation on the trading reform proposals, a number of integrated City investment banking houses submitted two differing opinions from their broking and asset management arms. But some board members noted that the response from BZW Investment Managers - which differed from BZW's rejection - was never sent.

The Treasury is also planning to call Angela Knight, Economic Secretary to the Treasury, to give evidence, supported by the senior civil servant in charge of City affairs, Steven Robson. He is thought to be high on the list drawn up by headhunters seeking a replacement chief executive. Mr Robson was already approached for the job last time round, but is believed to have turned it down because of concerns over the exchange's strategy.

## BT fires new salvo in Oftel war of words

MARY FAGAN  
Industrial Correspondent

Sir Peter Bonfield, BT's chief executive, has warned that proposed changes in the regulation of telecommunications could damage the entire industry and hamper investment in the UK. Sir Peter also said the BT board was "not averse" to an inquiry by the Monopolies and Mergers Commission if it decided the moves by the regulator, Don Cruickshank, were bad for the company.

His comments came as Mr Cruickshank's office, Oftel, consults on proposals to clamp down on BT's rate of return in setting tough new price controls for the company. Mr Cruickshank is also seeking a sweeping new power on anti-competitive practices and is expected to publish reports on both subjects within the next few weeks.

Sir Peter said: "If the return is too low then the industry as

a whole will not invest and you will not get competition. I have told him [Mr Cruickshank] that if you get the balance right, you can help innovation and sustain competition but that if you get it wrong the whole thing can flip the other way. He's got a tough job. I've got a tough job. But it's his decision."

Sir Peter, who joined BT less than three months ago, warned that while he hopes for a realistic outcome on both the main issues at stake, the company may end up at the MMC. This would be the route taken when BT cannot agree on Oftel with changes to its licence.

In his most public statement on the debate so far, he said: "The board has shown in the past that it is not averse to the MMC. The board has told me that they are not averse to going this time as well if they think the alternative is bad for the company and the industry." He added that many of BT's insti-

tutional shareholders were extremely concerned and had written to Oftel outlining their objections to the plans.

BT believes that its profits could be halved if Oftel pursues the pricing proposals. Under the proposals, BT's rate of return would be cut to 9-13 per cent from around 15-17 per cent at present. The company alleges that it faces increased risk in a rapidly changing market place and that, if anything, a higher return is justified.

The issue must be resolved by mid-year with a view to the introduction in 1997 of new price controls. At present the cap on BT's overall "basket" of services is inflation minus 7.5 percentage points.

On anti-competitive powers, Oftel intends to replace a range of licence conditions with a more general power allowing Mr Cruickshank and his successors to clamp down much more quickly on the company.

## Smurfit ready to give up power

RUSSELL HOTTEN

Michael Smurfit, chairman and chief executive of the Jefferson Smurfit paper and packaging empire, is ready to bow to institutional pressure for him to give up some of his power.

Mr Smurfit is planning to announce, possibly as early as this week, the creation of a new role of chief operating officer and president, which would enable him to relinquish his chief executive's title.

Jefferson Smurfit's key shareholders, particularly Standard Life, will be watching closely to see who is appointed and the effect on Mr Smurfit's influence in the boardroom.

The move is further indication of the way some of the UK's larger fund managers are flexing their shareholder muscles.

There was speculation last night that Ray Curran, recently elevated from chief financial officer to finance director, was emerging as the frontrunner for the chief operating officer's job. However, the appointment of someone from outside the company is preferred by some institutions.

Mr Curran's appointment as finance director is thought to have been made after pressure from Irish and UK fund managers worried about the Smurfit family's power on the board. Four Smurfits hold influential positions at the company, and a fifth, Michael Smurfit Junior, is managing director of a key US subsidiary.

Alastair Ross Goobey, head of Hermes, one of the country's leading fund managers and a Jefferson Smurfit shareholder, has publicly voiced his concerns about corporate governance. He said last night: "We prefer to have the role of chairman and chief executive split. But much more important is the balance of power on the board."

Jefferson Smurfit has backed up the number of non-executive directors with the appointment last month of the former Irish Prime Minister Albert Reynolds. Standard Life, which owns 2 per cent of the UK stock market, has been in the forefront of campaign by institutions to influence corporate governance at large companies. It is one of several investors to have passed on its concerns to the Smurfit board.

Mr Smurfit is believed to have been planning to announce a new chief operating officer at the time the company unveils its results on 10 April. However, sources said yesterday that this could be brought forward.

### IN BRIEF

#### GKN and Vickers talking of link

GKN and Vickers are talking about restructuring their defence interests. Sir David Lees, chairman of GKN, said in an interview with the *Independent* that there was some logic "in laying bits of GKN and Vickers together". Sir David has ruled out a long-rumoured bid for Vickers, but believes co-operation between the UK's four remaining manufacturers of armoured vehicles is essential. Interview, page 19

#### Lloyd's names hear the worst

Most of Lloyd's of London's 34,000 names will find out this morning the first estimate of how much it will cost each of them to draw a line under their affairs at the troubled insurance market. Some 9,000 names will face demands for a final cheque costing £100,000, to cover all their future liabilities from Lloyd's old policies, which are being hived off into a special company, Equitas.

#### C&W turned down BT merger offer

Cable & Wireless has turned down a merger offer from BT, which would have created the world's largest telecommunications company. Rod Olsen, C&W's chief executive, said there had been an approach last year, which was rejected. There were no current negotiations.

#### Rolls-Royce and GE collaborate

Collaboration between Rolls-Royce and General Electric on an aero-engine programme for the US Defence Department may be unveiled as soon as today. The announcement will detail roles within a cross-company team led by GE and including Allison, the US engine maker bought by Rolls-Royce last year.

## BET steps up Rentokil battle

RUSSELL HOTTEN

BET, the industrial services group, yesterday stepped up the battle against Rentokil's £1.9bn bid with an attack on its rival's relationship with majority shareholder Sophus Berendsen.

In its first defence document, posted last night, BET forecast a 3.1p dividend, up 27.5 per cent from the previous year. A profit forecast for the year to 30 March will follow. The document also highlighted what it called a potential conflict of interest between Rentokil and Berendsen, the Danish company which owns 52 per cent of Rentokil.

Rentokil has said it plans to develop BET's Initial Cleaning Division, but yesterday's document claims this will bring it into direct competition with Berendsen's own operations.

"Would Sophus Berendsen continue to be represented on the Rentokil board if Rentokil were to acquire BET?" the doc-



Focused on growth: John Clarke, the BET chief executive

ument asks. "How could Sophus Berendsen participate in discussions about textile rental?" BET also claims Berendsen, whose Rentokil stake would be diluted to about 35 per cent if the takeover succeeds, backs the bid because it wants the flexibility to reduce its stake further.

There was confusion on Friday about Berendsen's long-term intention after reports in Denmark that it planned to sell a further 10 per cent in Rentokil. Rentokil said that Berendsen's chief executive, Hans Werdelin, had been misquoted. The document sought to

spell out how BET had been turned around under its chief executive, John Clarke. It said earnings had risen by more than 35 per cent in the 18 months to 30 September 1995 and had recently grown substantially faster than those of Rentokil. This clear strategy contrasted sharply with the blurred focus of Rentokil's diversification efforts, it said.

BET has been restructured after a 1980s spending spree left it with high debts and a sprawling collection of interests. The company said it had been transformed into a group which was debt-free, tightly controlled and strategically focused.

Sir Christopher Harding, BET chairman, said directors had no hesitation in recommending rejection of the offer.

Rentokil's chief executive, Clive Thompson, said: "We are studying the BET document, in the same way as BET shareholders, in the search for new information. So far this is proving difficult."

## Network

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section two

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section two

STOCK MARKETS									
FTSE 100									
Index	3710.30	-42.4	-1.1	3761.30	2894.20	3.98			
FTSE 250	3292.70	+16.3	+0.4	4280.00	3300.90	3.47			
FTSE 350	1860.90	-15.1	-0.8	1889.00	1482.40	3.87			
FT Small Cap	2069.51	+10.8	+0.5	2076.11	1678.61	3.08			
FT All Share	1829.04	-13.0	-0.7	1864.59	1469.23	3.81			
New York	5470.45	-66.1	-1.2	5642.42	3832.06	2.15			
Tokyo	20155.87	-12.8	-0.1	21118.30	14485.40	0.791			
Hong Kong	11217.79	+22.9	+0.2	111194.48	6967.93	3.291			
Frankfurt	2469.12	-32.1	-1.3	2501.22	1910.06	1.851			
Source: FT Information									

INTEREST RATES									
UK interest rates									
1 Month	5.09	5.09	8.11	8.65	8.23	8.63			
3 Month	5.22	5.25	8.39	7.24	6.66	7.48			
6 Month	5.30	5.39	8.24	4.12					
1 Year	5.31	5.39	8.53	7.37	7.37				
US interest rates									
1 Month	5.09	5.09	8.11	8.65	8.23	8.63			
3 Month	5.22	5.25	8.39	7.24	6.66	7.48			
6 Month	5.30	5.39	8.24	4.12					
1 Year	5.31	5.39	8.53	7.37	7.37				
Money Market Rates									
1 Month	5.09	5.09	8.11	8.65	8.23	8.63			
3 Month	5.22	5.25	8.39	7.24	6.66	7.48			
6 Month	5.30	5.39	8.24	4.12					
1 Year	5.31	5.39	8.53	7.37	7.37				
Bond Yields									
1 Month	5.09	5.09	8.11	8.65	8.23	8.63			
3 Month	5.22	5.25	8.39	7.24	6.66	7.48			
6 Month	5.30	5.39	8.24	4.12					
1 Year	5.31	5.39	8.53	7.37	7.37				
Main Price Changes									
Rises - Top 5	Price (p)	1 Month's % Chg	Falls - Top 5	Price (p)	1 Month's % Chg				
South West Water	618	118	23.7	Dorchester Business	648	58	9.2		
British Biotech	2280	237	11.6	Vickers	284.5	20.5	7.2		
Firstbus	189	15	9.7	Cadbury Schweppes	519	36	6.5		

CURRENCIES									
£/\$									
Index	1.5240	-0.45c	1.5685						
DM	2.2842	+0.84p	2.425						
¥	161.505	+0.327	156.09						
₹	83.7	+0.1	86.5						
£/DM									
Index	0.6552	+0.09	0.639						
£/¥	1.5240	-0.45c	1.5685						
DM/£	0.6552	+0.09	0.639						
DM/DM	1.4836	+0.77p	1.55						
¥/£	105.825	+0.370	99.77						
₹/£	95.9	+0.3	96.1						
OTHER INDICATORS									
Oil Brent \$	18.17	+0.41	16.58	RPI	150.2	+2.92p	146.0	21 Mar	
Gold \$	396.5	-2.80	381.5	GDP	107.1	0.5p	105.1	26 Mar	
Gold £	259.14	+1.45	240.36	Base Rates	6.00p	6.75			



Fairyr, the engineering and aerospace group, is expected to announce strong results for 1993, backed by its international businesses and a recovery in the electric power sector. NatWest expects a 32 per cent rise in pre-tax profits (to about £34m).

**Interims:** Cortes Int'l, DCS, Interim & General, Redrow, Kleinwort, Dev Fin, Finals, British Vita, DRS Data & Research, Fairyr, Forward Technology, Hibernian, Hiscor Select Insurance, Laporte, Loxco, Merchants Trust, Parpet, Pentland, Persimmon, Refuge, Roxboro, RPS Group, Rugby Group, Spandax, Spirax-Sarco, Suter.

**AGMs:** Ford Motor Company, Ovaca Resources.

**EGMs:** Secure Retirement.

**Economics**  
A busy week for economic data kicks off with producer price figures for February and January's industrial output. Chancellor Kenneth Clarke said on Friday that these were

behaving better than expected. Analysts have pencilled in a decline in the index of prices paid for fuel and materials, taking the year-on-year rate of increase below January's 3.7 per cent, and at most a small increase in prices charged at the factory gate, reducing their annual rate of inflation below January's 3.6 per cent.

The consensus is that industrial output was probably flat in January, with manufacturing output up slightly after December's shock fall. This would

**% year on year**

Year	% year on year
1991	-3.5
1992	-1.5
1993	7.0
1994	-3.0
1995	11.5
1996	3.5

**Source: BLS**

**Companies**  
TI Group is expected to announce solid results, with 1995 AGMs: Euro Disney, Shanghai Group, Witan Investment.

**Economics**  
Construction orders (January).

**WEDNESDAY**

**Companies**  
Reed International, in the spotlight last week after shaking its

**Companies**  
Reed International, in the spotlight last week after shelving its plans to sell its consumer books division, should encourage with

lish China Clays, Haden MacLellan, Heywood Williams, JTB Group, Lambert Howarth, Radius, Reed Int'l, Rosebys, Schroders, Tilbury Douglas, Waste Recycling.

**AGMs:** Gartmore British Income, London Scottish Bank.

**EGMs:** London Scottish Bank.

**Economics**

Last month is expected to have seen the 30th decline in the-

unemployment count, although Deutsche Morgan Grenfell puts the expected fall at only 5,000 after January's drop of more than 29,000. The growth in underlying average earnings in January is likely to reflect the upward trend in basic pay settlements and bonuses.

A European Union conference on the single currency opens in London.

## Companies

### A chance to see the damage.

caused to Coats. Virella, Britain's largest textiles firm, by a hot summer and sluggish consumer confidence. Analysts expect pre-tax profits to fall to between £142.5m and £147.5m (£152.4m last time).

**Interims:** BZW Endowment Fund, F&C High Income, Sirdar, Television Corp.

**Finals:** Anglo American Industrial, Biocrace Int'l, BTR, Coats Vyella, CU Environmental Trust, Davis Service, Emco, Exco, L&G, Mayflower, Micro Focus, MTL, Pittards, Reckitt & Colman, Steel Burrell Jones, United Biscuits, Watmoughs, A Wood & Son.

**AGMs:** Loades, Lookers.

**EGMs:** Bolton Group, MTM.

**Economics**

US factory gate prices point to further moderation of inflationary pressures.

**FRIDAY**

**Companies**  
Aspen Communications, the media group, is expected to announce pre-tax profits of £3.8m, up 65 per cent, accord-

ing to NatWest. Margins have probably improved even in printing and publishing, where the cost of paper is expected to have had an impact.

**AGMs:** Aspen Communications, British Data Mngmt. Molins, Wembley  
**AGMs:** Alexanders Holdings, Central Motor Auctions, Eurocamp, Johnson Fry Second and Utilities Trust, Perry, Pohang Iron & Steel, Serif, T Walker.

**Economics**  
Further key February figures for the US economy could trigger a reaction in Treasury bonds and shares. Consumer prices are likely to show a smaller increase than January's 0.4 per cent, leaving consumer price inflation unchanged at 2.7 per cent.

Industrial output is expected to rebound by about 0.5 per cent after a sharp drop in January. But markets are watching out for a bigger increase – mirroring the surprise rise in the number of new jobs revealed by last Friday's figures.

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## BILL MARTIN

**'The Bank blends together various sources of uncertainty and is insufficiently precise about the circumstances in which inflation could head north or drop south'**

I wonder if you were aware that Rorschach tests had suddenly become *de rigueur* among British policy-makers. Rorschach, you will recall, was the Swiss psychiatrist who discovered the diagnostic value of inkblots. He would invite unsuspecting patients to describe his inky creations in the hope of revealing their subjective fantasies. The response "it looks like a serial killer" risked 10 years in incarceration in the sanatorium. Patients soon learnt the advantages of replying in terms of butterflies and birds.

Rorschach tests may have fallen out of fashion, but the Rorschach test of the Bank of England's latest Inflation Report you will find several examples disguised as graphs depicting the Bank's latest inflation projections and the range of uncertainty surrounding them. The charts fair out as time passes and the uncertainty deepens. By 1998, they encompass inflation forecasts as high as 4.5 per cent and as low as 0.5 per cent, all in shades of vermillion and violet. What does this image remind you of, dear boy? Beware the recesses of your haunting evening conscience. It guarantees 10 years incarceration in the UK forecasting industry. It is therefore preferable to reply that the chart represents a probability distribu-

tion of projected inflation outcomes—an attempt by the Bank to convey a sense of forecasters' uncertainty. But this does not get us very far. We know that forecasts are inherently uncertain and that the crystal ball gets ever-cloudier the further we peer into it. The problem is that the Bank's approach blends together various sources of uncertainty and is insufficiently precise about the circumstances in which inflation could head north or drop south. This is a pity because in all other respects the Inflation Report is a paragon of analysis, the best thing to emerge from the Bank in years.

Presenting uncertainty is not easy but the Bank could do better by regarding its report

as a navigational chart to point out the rocks on which the economy might founder. It could present several forecasts, clearly conditional on different states of the world and on different assumptions about the way the economy behaves. This would clarify the nature of the uncertainty and quantify those aspects which pose the greatest threat to the Chancellor's inflation goals. Had this been done, the Chancellor might have had a better idea of the risks he was running by cutting interest rates in the face of strong monetary growth. To be sure, the Bank agonises over the growth of broad money supply in the UK, now running at an underlying 10 per cent. But nowhere does the report quantify possible linkages between money supply and activity which would

Had it entertained (as one possibility) a more monetarist view of the economy, the Bank might have identified linkages along these lines. The first concerns the build-up of bank deposits held by financial institutions. The growth of wholesale bank deposits accounts for nearly 3 percentage points of the 5.5 percentage point jump in broad monetary growth over the last year. The key question is whether the extra deposits are a genuine increase in the demand for money or an excess of supply. The chances are

it is an excess. Institutions have acquired cash as a result of Britain's merger and acquisitions boom. Companies have bought equity with cash; institutions, in turn, have deposited it with banks who were keen to raise deposits in order to lend to acquisitive companies. The Bank describes this merry-go-round in detail but does not consider how the excess cash could be expunged – for example through capital outflow being placed in assets abroad which could be less vulnerable to inflation. The first risk posed by high monetary growth is therefore, in sterling,

The second consequence concerns the stock cycle, which may prove to be a less painful affair than many suppose. Everyone knows that manufacturers have excessive inventories, the result of an unexpected shortfall in export demand. The surveys suggest that industry should already have de-stocked, but so far, this does not appear to have happened. Gross domestic product is still rising, as are stocks. If the figures are to be believed, it may well be that companies' buoyant liquidity is enabling them to take a more relaxed view about the speed with which to adjust their stock overhang.

The third consequence concerns the housing market and its wider role in the economy. The build-up of personal bank and building society deposits is the other main component of the acceleration of broad money supply. If this is also in excess of re-

quirements, it may well be switched into other assets which offer a higher return. In the housing market, expectations of rising prices against a background of falling home loan rates could trigger a sharp jump in transactions and then in prices. The process would be partly self-feeding – higher prices inducing higher demand – the mirror image of last year's depression in the housing market. There are already signs of recovery. According to the Halifax figures, house prices rose at an annualised 3.5 per cent in the three months to February.

Consumer spending would undoubtedly respond. But the stimulus of rising property values should not end there. The scale and growth of small business is highly dependent on the value of collateral tied up in housing, a consequence of banks' lending policies. Research by economists at Exeter University suggests that a 10 per cent increase in the value of housing equity would result in a 5-6 per cent rise in small business starts.

There is a real risk that private-sector spending will take off rapidly in the next 12 months, consumers' spending growth of 4 per cent being well within the bounds of possibility. Come to think of it, this may be the hidden message in the Bank's Rorschach charts. The blot on the landscape is simply another dose of inflation.

*Bill Martin is chief economist at UBS.*

The chairman of GKN is satisfied that a crucial restructuring is complete as he prepares to hand over to a new man. He talked to **Russell Hotten**

# Time to step aside after an industrial revolution

Stepping across the threshold of GKN's headquarters in St James's, London, is like entering a private club. A doorman ushers visitors into a creaky old lift that slowly rises to the executive offices. A butler is on hand to serve tea while you wait in oak-panelled rooms lined with oil paintings. The Guest family, who 100 years ago established what became GKN, would not have felt out of place lounging on the sofas in the drawing room. This outpost of anyone days gives no suggestion of the transformation that the old firm of Guest Keen & Nettlefolds has undergone in the 25 years that Sir David Lees has been there.

"I think that 1995 was something of a landmark for us," says he chairman. "Last year represented the end of a major phase in terms of our divestment programme." With the job of restructuring completed, Sir David, 60, is going part-time, becoming non-executive chairman when GKN recruits a new chief executive. "It will be a tremendous wrench handing over to someone else, but at least I have the satisfaction of having

ting" while ahead. As the 61 per cent jump in profits last Thursday revealed, GKN is in good health and the company has never been higher in the FTSE 100.

Now GKN has been streamlined into three core international businesses - automotive, defence, business services - the question in the City is whether the company is now fully focused. "Yes," maintains Sir David. "Though the business must continually evolve to stay ahead." There will be no fourth leg added.

## THE MONDAY SIR DAVID

But he frankly admits there is scope for collaboration between their defence businesses, as part of the necessary consolidation going on between arms companies

ing on between arms companies throughout Europe. "If you agree that European defence companies need to restructure, I do not think that it requires a master strategist to see that the UK has got some rationalising that it can do itself. There is some logic to laying bits of GKN and Vickers together. But you can rationalise without com-

**ID LEES**

panies taking over each other."

GKN, maker of the Warrior personnel carrier, and Vickers, which makes the Challenger 2 tank, are among four companies in the UK producing a range of armoured vehicles. Sir David says: "The domestic market is unlikely to be able to support four companies. It is not necessary to have full mergers, because project collaboration can happen outside the corporate shell.

And to that end I think there will be further movement."

But any restructuring, at home or abroad, will not be easy. Arms firms, particularly in France, are suffering huge financial imbalances, he says. "It is difficult to put any sort of value on some of these companies. That does not make for an easy merger or collaboration at the emity level."

And the move towards joint government defence procurement is fine in principle, but difficult in practice. "The danger is that a product is made that the military does not really want because there have been so many compromises. Then you have got to sort out which country will make what. The whole issue is

The motor industry, too, faces consolidation as component makers are forced to serve car makers on a global scale. Sir David expects the industry eventually to be dominated by a few international players. But he is not predicting a sudden revolution. "Like many things in the motor industry, rationalisation has been slow coming. Whether it will happen, I

## Farewell to arms: Sir David Lees expects more rationalisation in the defence industry

am not totally sure," he says. Nor does he expect GKN to be at the forefront of any changes. The company's drive-line business — making the components that link the wheels to the engine — is number one in the world with a 35 per cent market share. "It is not clear to me with whom GKN would rationalise," he says. "If we were a number three or a number four, then it might be a good idea."

After school at Charterhouse,

Sir David trained as an accountant – though he never wanted to be one. His father, a Rear Admiral, did not wish to finance another of his sons through university and the young David Lees saw accountancy as a way into industry. He joined the accountancy firm of Binder Hamlyn in 1962, but grabbed the chance to move to GKN Sankey as chief accountant in 1970. His eventual elevation to the realms of the UK's business establish-

ment remains something of a surprise to him, and colleagues testify to a lack of the naked ambition common to so many executives. "I never ever thought about becoming chief executive of a large company; never thought it could conceivably happen. I have always been someone who has taken steps one at a time, before thinking too much about the next job."

He recalls being summoned to the Bank of England, oblivious

that the then Governor, Robin Leigh-Pemberton, was to ask him to join the Court. "I even rang up the Treasury to ask if I had done anything wrong. I really had no idea why I was going."

After eight years as the top man at GKN, Sir David is not stepping aside so he can spend more time with his hobbies: golf (handicap 15), opera, or walking in the hills around his Shropshire home. In July he becomes chairman of Courtalds, where he is currently a non-executive. Other commitments include being a Fellow of the Royal Society of Arts, and being on the main committee of the CBI.

Sir David was also a member of last year's Greenbury committee on directors' pay, a bruising experience but one he does not regret. The whole question of directors' pay was, he says, "a boil that had to be lanced. There had been some quite celebrated cases where clearly pay and performance were not matched, and cases which the corporate sector should not be proud of."

He regrets that Greenbury is only remembered for the row over share options. But the recommendations will have a lasting impact, he believes. "You will now see a lot more disclosure. The biggest single problem of this whole subject is the secrecy that surrounds pay and remuneration."

GKN's annual report, out in a few weeks, would be leading by example: "It will be more open, honest, and out on the table," he promises.

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## SCIENCE

# A hit squad to save Darwin's paradise isles

**Juliette Dominguez** reports on a plan to kill off the eco-invaders that are threatening to destroy the Galapagos

When Charles Darwin visited the Galapagos Islands in 1835, he wrote: "I cannot find a spot free from the iguana's burrows on which to pitch a single tent." Today, the giant land iguana is extinct, and the island's indigenous wildlife is under the threat of extinction from the feral animals and plants introduced by humans over the centuries.

This month, a conservation "hit squad" will visit the Galapagos Islands to try and save their unique wildlife by eradicating the invasive species. Julian Fitter, chairman of the Galapagos Conservation Trust, said: "Unless something immediate and drastic is done, there

any other land mass, all the resident species are descended from ones that flew, swam, drifted or were carried there.

Ninety-five per cent of the reptiles, 50 per cent of the birds, 42 per cent of the land plants, 80 per cent of the insects and 17 per cent of the fish cannot be found anywhere else in the world. They include the Galapagos tortoises, marine iguanas, flightless cormorants, blue- and red-footed boobies and 13 species of Darwin's finch, whose variously shaped beaks were used to illustrate his theory of evolution.

The threat to these endemic species comes from overgrazing by goats that have run wild, and

On the neighbouring island of Santiago, conservationists at the Darwin Research Station say all the endemic plants and most of the unique animals could be wiped out in five years by goats and pigs. For example, *Scalesia* trees, which look like giant sunflowers, until recently formed an entire forest across the island. These have been devastated by goats, leaving only a few sparse cliff-top clumps. And pigs have developed a taste for the world's rarest seabirds, the dark-rumped petrel. The pigs can smell out the petrels' burrows and kill them easily when they surface, as they are too clumsy to escape.

The Galapagos National Park has had some success in eradicating goats from the smaller islands, like Santa Fe, Espanola and Santa Cruz, but the problem on the larger islands like Alcedo is now unmanageable. Simple baiting techniques are no longer effective, as the goats are reproducing so rapidly the rangers cannot keep up, and the situation is out of control.

Mr Fitter explains that with these numbers, you need to destroy them rapidly before they get a chance to reproduce.

The Galapagos Conservation Trust has asked Brian Bell to examine the problems facing Isabela and Alcedo. Mr Bell, an expert on the eradication of invasive or introduced species, is the managing director of Wildlife Management International, a small private company established to make available to other countries New Zealand's expertise in island management.

His company has been asked to undertake projects by governments and agencies such as the Royal Society for the Protection of Birds, and Birdlife International. One of his recent projects was eradicating brown rats and black-naped hares from Gurners Quoin in Mauritius last September.

Mr Bell explains that cleaning up islands requires the investment of many resources

and much time and money. He says: "I don't enjoy killing, but I accept it as an essential way of preserving rare forms of life. People get uptight about what they see as cruelty to animals, but they don't know how harsh nature is. Look at seabirds - most of them die in their first year due to lack of food. It's sad, but if they all survived we'd be overrun by birds."

Mr Bell is visiting the islands this month for three weeks, and his report will ascertain how best to carry out the eradication and what methods to employ.

Julian Fitter says: "One possible recommendation is the use of helicopters as a vehicle to



The view from here: non-native species threaten the island's famous lizards, such as these marine iguanas. Dogs have already eaten most land iguanas. Pete Oxford/Planet Earth

**Microbe of the Month: What became of the flesh-eating bug?**  
**Bernard Dixon** investigates

## Vital clues to a mystery killer

Whatever happened to the flesh-eating microbe? During the first five months of 1994, the bacterium *Streptococcus pyogenes* caused five cases of necrotising fasciitis (NF) - so called because it kills tissues such as the sheaths (fascia) around muscles - two of them fatal, in west Gloucestershire. "Killer bug ate my face" was typical of the headlines spawned by the virulent microbe. The incidents were peculiarly nasty. Moreover, five cases in a population of 320,000, where the condition had been unknown for at least a decade, was surprising.

Two years later, some answers to the worrying "flesh-eating bug" affair are available, thanks to an analysis of the incident in the current issue of *Epidemiology and Infection*. The report identifies the likely origin of two of the cases. It also provides guidelines for reducing the risk of a similar occurrence. But it still leaves an element of mystery as to why several cases of a rare condition should have occurred in one area in such a short space of time.

The report presents compelling evidence that the first two NF patients acquired their infections during surgery in the same operating theatre, probably from the throat of a member of the theatre staff. The first patient had a routine hernia operation in February 1994 at a hospital serving the Stroud area. He became feverish the next day, collapsed 36 hours after surgery, and developed the gangrenous changes that characterise NF.

Despite intensive treatment with antibiotics, large areas of skin had to be cut away. Four days later, another patient became similarly ill after a varicose vein operation. Again, doctors administered antibiotics and excised the "affected" tissues. Technicians screened the dis-

sects for microbes and found that they carried *S. pyogenes*, which can cause NF, usually in people who are vulnerable to infection. At this stage, the hospital authorities closed the operating theatre for cleansing, and took nose and throat swabs from people working there. One staff member proved to be heavily infected with *S. pyogenes*. Subsequent tests showed that the *S. pyogenes* carried by the staff member was of the same type as that in the dead flesh from the second patient. Re-examination of the tissues of the first patient indicated that they also carried the same organism.

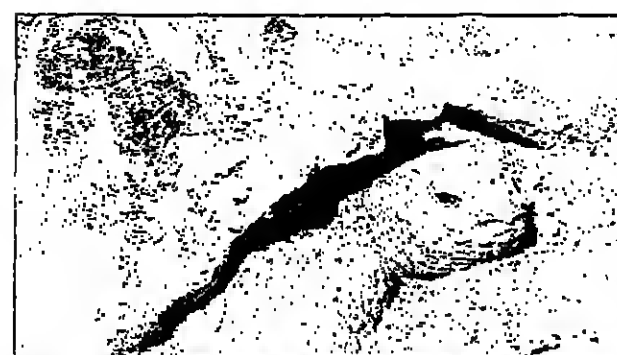
In the light of the Gloucestershire incident, the report's authors recommend that any cases of NF developing after surgery should be investigated carefully to determine whether *S. pyogenes* is responsible. They also conclude that, while there is no need for an operating theatre to be closed after one case of NF, the occurrence of two or more cases does warrant "immediate closure and investigation of staff."

So why did *S. pyogenes* cause five confirmed cases of NF in one area in such a short space of time? How do we account for the infections that were not acquired in hospital? There is no evidence that anything made the people of west Gloucestershire more prone to bacterial infections during the early months of 1994. Perhaps, therefore, the "cluster" of cases arose by chance.

The final possibility is that some genetic change occurred in the bacterium itself. This would have had to affect each of the four different types of *S. pyogenes* - which seems unlikely but could have happened. In that case, we face one of the trickiest questions of all. Why did the "outbreak", if it really was an outbreak with a common cause, come to an end?



The media made a meal of the fearsome bacterium



Muddy outlook: vast herds of goats are eating the vegetation on which giant tortoises depend. Mary Clay/Planet Earth

will be nothing left of the island's endemic plants and animals. The land is being grazed away to nothing."

The Galapagos Islands, 600 miles off the coast of Ecuador, are invaluable in providing the world with a living laboratory of evolution. Darwin was the first of many scientists to study the unique ecosystem, where biology and geology have gone to bizarre and wonderful extremes.

There are 15 main islands and 106 smaller ones, created by volcanic eruptions out of the ocean some 3 million years ago. There are active volcanoes there even today. Because the chain of islands was never attached to

from non-native predators, such as rats, killing the defenceless indigenous animals.

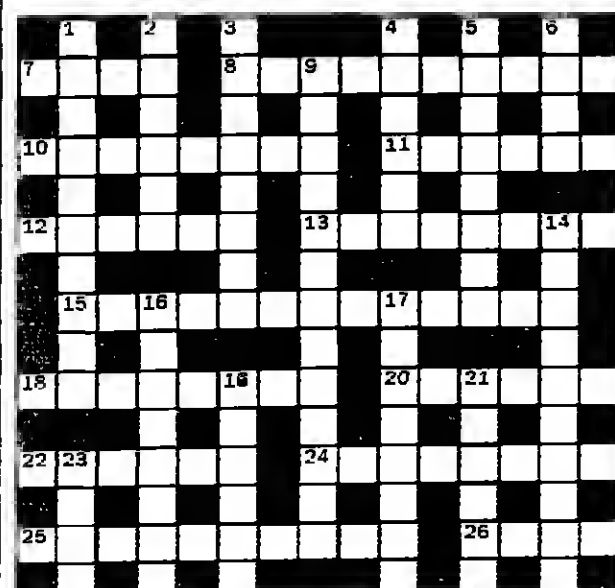
Alcedo Volcano on Isabela Island is home to more than a third of all Galapagos giant tortoises. It faces ecological collapse as a result of an infestation of goats and burros. The enormous goat population, numbering more than 80,000, is eating the vegetation the tortoises depend on, and they cannot compete.

Dogs have eaten most of the land iguanas, and black rats have discovered how to chew through the shells of baby tortoises, which are soft until they are about three years old.

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